

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, SEPTEMBER 9, 2014 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1-12	A.	1. AUGUST 12, 2014
		2. CORRECTED MOTIONS SHEET - JULY 8, 2014.
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	SCHROEDERS (SMALL MID-CAP INTERNATIONAL EQUITY)
		1. CATHIE MAZZA, DIRECTOR CLIENT SERVICES
		2. MATTHEW DOBBS, HEAD OF GLOBAL SMALL-CAP EQUITIES
	B.	THE BOGDAHN GROUP - HOWARD POHL & PETER BROWN
		1. 2014 SECOND QUARTER REPORT
13 - 16		2. CORRESPONDENCE - PRUDENTIAL REAL ESTATE INVESTORS ORGANIZATIONAL UPDATE
		3. RENEWAL OF CONTRACT FOR CONSULTING SERVICES
17 - 18	C.	PORTFOLIO VALUE - 1/1/14 - 8/29/2014
	D.	MONEY MANAGER REPORTS
19 - 40.....		1. BAIRD -06/30/2014
		2. COLUMBIA - ENDING 6/30/2014
		3. EAGLE ASSET MGMT - ENDING - 7/31/2014
		4. GENEVA - ENDING 6/30/2014 & QUARTERLY 7/31/2014
		5. HOTCHKIS & WILEY - ENDING 7/31/2014
		6. MFS HERITAGE TRUST COMPANY CIT - ENDING 8/31/2014
		7. MFS INVESTMENT - ENDING 7/31/2014
		8. MACKAY SHIELDS - ENDING 7/31/2014
		9. SCHROEDER - ENDING 7/31/2014
	E.	RECAPTURE SERVICES
41 - 47	1.	CAPIS - SUMMARY ENDING 7/31/2014

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BAY CITY, MI 48708

- 2. ABEL/NOSER - SUMMARY ENDING 7/31/2014
 - 3. CONVERGEX - SUMMARY ENDING 7/31/2014
 - F. NORTHERN TRUST
 - 48 - 52 1. SUMMARY EARNINGS ENDING 7/31/2014
 - 53 - 54. G. REFUNDS/RETIREMENTS ENDING - 8/31/2014
 - 55 - 59 H. BCERS YTD BUDGET REPORT
 - I. CORPORATION COUNSEL
 - 60 -67 J. RETIREMENT SCANNING PROJECT BIDS - TIMOTHY QUINN
 - 1. OFFICE MAX
 - 2. SOURCE HOV
 - 3. DSS CORPORATION
- VI. ANNOUNCEMENTS
 - A. NEXT REGULAR MEETING - OCTOBER 14, 2014 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708
- VII. UNFINISHED BUSINESS
- VIII. NEW BUSINESS
- IX. MISCELLANEOUS BUSINESS
- X. ADJOURNMENT

NOTE: In addition to these typed minutes, this board meeting was also taped. These tapes are available for review in the Retirement Office

A meeting of the Board of Trustees was held on August 12, 2014 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

Trustees Present: Chairperson Gray, Mr. Coonan, Mr. Gromaski, Mr. Herek, Mr. Morse, Mr. Pett, Mr. Starkweather, and Ms. Goetz.

Trustees Absent: Mr. Brzezinski.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel/Personnel Director: Timothy Quinn
Assistant Corporation Counsel: Shawna Walraven
Public: Yes

The meeting was called to order by Chairman, Steve Gray at 1:34 p.m.

1. Moved, supported and carried to excuse representative Brzezinski.

Chairman Gray introduced the new Retirement Administrator, Rebecca Marsters.

2. Moved, supported and carried to approve the minutes of July 8, 2014 as submitted.

Mr. Gray called for public input. As there was no public input, he moved onto petitions and communications.

Present today were Mr. Howard Pohl and Mr. Peter Brown of The Bogdahn Group to present information on the sale of Geneva to Henderson Global. A copy was provided to all Trustees, in advance, via the web.

Mr. Pohl stated one of the money managers, Geneva, announced a month ago that they were sold to Henderson Global Investors- North America division of Henderson, which is based in the UK. All the key participants at Geneva have signed long-term agreements. They state that there will not be any change in their operations as long as they have a bigger presence here in the United States. Henderson has over \$130 billion in assets under management worldwide. They are huge organization. He stated whenever one of these kinds of deals go through they always want to keep a close eye on the money managers. Geneva started off with below average results from the last year. Geneva has asked for a consent to assignment because of the move and Mr. Pohl stated they see no problem with that.

Trustee Starkweather stated he would make a motion to authorize the chairman to sign the appropriate transfer subject to review of counsel as far as the

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
AUGUST 12, 2014 - REGULAR MEETING
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quality of the document and to review their performance in one year. Mr. Pohl stated they would be reviewing it every quarter. Trustee modified his motion.

Mr. Pohl answered questions from Trustees and concluded the presentation.

3. Moved, supported and carried to authorize Chairman Gray to sign the consent to assignment from Geneva to Henderson subject to review of counsel.
4. Moved, supported and carried to receive Portfolio Value from January 1, 2014 to July 31, 2014. The value today is \$300.8 million.
5. Moved, supported and carried to receive portfolio reports from Cornerstone, Geneva, Hotchkis & Wiley, MFS Investment, MacKay Shields, and Schroders all ending June 30, 2014.

Mr. Pohl updated the board that ConvergeX had been terminated and the commission recapture program switched to Abel/Noser and Capis. He stated that last week the president of ConvergeX was indicted in connection with the what he had talked about with the Board previously.

6. Moved, supported and carried to receive the report from ConvergeX ending - June 30, 2014.

Mr. Pohl responded to question from trustee as to whether or not there would be any more reporting from ConvergeX. He stated that unless there was a late trade in July or there was something they did not know about, there would not be.

7. Moved, supported and carried to receive Refunds/Retirements for the month ending July 31, 2014.
8. Moved, supported and carried to receive BCERS Year-To-Date Budget report ending August 4, 2014.
9. Moved, supported and carried to accept correspondence to Integrity Asset and Hotchkis & Wiley regarding rebalance of asset allocation.
10. Moved, supported and carried to accept copies of correspondence on commission recapture termination agreement with ConvergeX to money managers - Columbia, Eagle Asset, Geneva, Hotchkis & Wiley, Integrity, MFS, and Schroder.

Corporation Counsel, Shawna Walraven, presented information today regarding the MFS CIT agreement. Ms. Walraven updated the Board that the MFS CIT Agreement was executed and the account is now fully funded.

Ms. Walraven stated she had been asked to discuss two of the policies today. The Board was presented with written copies. The first was the Code of Conduct policy. This was presented to the Board in November. This is the ethics

policy that the statute requires the Board to have. The policy was a template from Mr. Michaud that was updated by Marty. Trustee asked about a current ethics policy or if there was a policy the Board followed through the Board of Commissioners. Ms. Walraven stated the BCERS Board has not had an ethics policy and currently there is no county-wide ethics policy. Ms. Walraven urged the Board to adopt this ethics policy.

Ms. Walraven clarified and answered questions asked by trustees regarding conflict of interest to the policy. She stated that giving educational presentations regarding benefits at board meetings was not a conflict of interest as it was an educational presentation.

11. Moved, supported and carried to approve the Code of Conduct Policy. (See copy of Code of Conduct Policy included with minutes)

Ms. Walraven then went on to speak about the Service Provider Disclosure Policy. This was a policy that the Board had previously adopted but never set a date for completing these requirements. Ms. Walraven updated the policies to reflect that the month of March will be the time that these disclosures will be sent out to the service providers. There were two forms that were approved that would be sent out every March.

12. Moved, supported and carried to approve the month of March each year to complete the Service Provider Disclosures. (See copy of Service Provider Disclosures Policy included with the minutes)

Trustee asked how long it took to get responses back after sending out the Service Policy Disclosure. Ms. Walraven stated it is required that the providers return responses within 28 days. Once all of the responses were received, they would be presented to the Board. Trustee asked if they had already been doing this. Ms. Walraven stated the new money manager, MFS completed the disclosure prior to entering into the contract. She stated that they will ask any new money managers to complete these prior to entering into agreements with them. They will also ask the existing money managers to complete these disclosures every March.

Trustee asked about money managers not having their book work done by March and locking them in to 28 days or could they give them an extension. Ms. Walraven stated it is a due diligence requirement. Trustee stated they could flex if somebody asked the Board to give them an extension. Ms. Walraven stated that was right.

Chairman Gray stated he did not have Mr. Michaud come to the meeting today in the interest of cost saving. Mr. Michaud will be here next month as Ms. Walraven will have the 20 items that she has been working on for the Trustee Education close to completion. Chairman Gray hoped that next month the Board would be able to complete a couple of items on their list and have Mr. Michaud attend only the one Board meeting instead of two. Chairman Gray asked for a motion to table the Education and Travel Policy until next month when Mr. Michaud would be present. The Board could then look at Ms. Walraven's version versus Mr. Michaud's and work through the process to get one adopted.

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13. Moved, supported and carried to table the Education and Travel policies until next month.

Budget proposal for 2015 update: Ms. Hebert stated that at the last meeting it was asked that anyone who had any changes to submit them to her. She had not received any changes. She did provide a copy of the tentative indirect costs for the plan. She would like to incorporate those into the 2015 budget. Trustee asked her to go over it so everyone would have a good understanding of how it works. Ms. Hebert stated she could hand out an explanation they had at the prior meeting that would go over a breakdown of all the costs. The amounts would be a little different than the sheet provided. Ms. Hebert provided a list of indirect costs to the Board for review. She went over the charges and explained there was a roll forward, which is like the true-up of the actual costs, for a total of \$110,290 proposed for the 2015 budget. She apologized this did not make the agenda. Chairman Gray asked if Ms. Hebert needed this approved today so she could continue on with her work to stay within time line. Ms. Hebert stated that would be appropriate for this change and any other changes that anyone has for the 2015 budget. Chairman Gray clarified that changes could still be made to the budget if necessary. Ms. Hebert confirmed that. Chairman Gray asked if anybody had any other budgetary changes they wanted to consider.

Ms. Hebert answered questions from the Board regarding indirect costs and who provided the different accounting services. She went over the budgeted amounts versus actual amounts. Trustee asked about an easier format of the budget. Ms. Hebert stated this was the format that all the County departments were using. This is how they develop their budgets every year. They tried to enter more information than maybe the Board wanted to see. She stated she could try to display it in a little different format and see if that would be a little easier to navigate through.

Chairman Gray asked for a motion to approve the 2015 budget for the Retirement System that would include the change that Ms. Hebert is proposing on indirect costs.

14. Moved, supported and carried to approve the 2015 budget for the Retirement System including the change Ms. Hebert proposed in indirect costs.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, September 9, 2014 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

Trustee brought to the attention of the Board that the motion sheet from the July 8, 2014 meeting needed a correction of Chairman Gray mistakenly listed as M Gray. The Board asked that this be corrected.

Chairman Gray had a question on page 52 of today's agenda on indirect costs original and year-to-date. Trustee questioned that they were just given a chart

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
AUGUST 12, 2014 - **REGULAR MEETING**
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showing \$97,0000 of indirect costs and on page 52 of the agenda the total of indirect costs showed \$47,000. Ms. Hebert explained those were allocated on a 1/12 basis. The \$47,718.49 amount would be what was allocated to date. Trustee clarified it was not the sum of the activity that has taken place year-to-date. Ms. Hebert stated that was correct. Trustee asked that they would get the detail of that in a year or so when the actual numbers are in. Ms. Hebert explained on the handout she gave the Board on the 2013 showed a roll-up amount and that is the true-up amount. It does not actually give a listing of what the actual costs were because they are charged by these cost centers. They are just trued up at the end of the year as a credit. If the actual cost for the year was less than what was charged, then you would get a credit. If it is more, then we allocate an additional amount. She explained the roll-up and true-up process. She stated the credit is done two years later.

Trustee Coonan explained a budget is a projected cost. That they do not know what the total cost is going to be for the year until the actuaries see the numbers and that is why there is a true-up. He stated any budget we look at is just their best estimated guess to what we would use. The starting budget does not exactly look like the ending budget.

Chairman Gray had a question of whether or not this Board was covered by the County's insurance as far as if someone in the pension system wanted to sue the Board. He asked if the Board fell under the County's policy for legal defense.

Corporate Counsel stated this Board has a fiduciary liability policy that covered that.

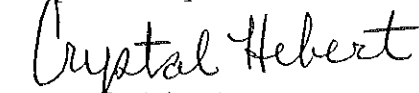
NEW BUSINESS: None

MISCELLANEOUS BUSINESS None

ADJOURNMENT:

15. Moved, supported and carried to adjourn the meeting at 2:14 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLICY RESOLUTION

Adopted: August 12, 2014

Re: Code of Conduct

WHEREAS, the Bay County Employees Retirement System ("Retirement System") provides pension benefits to retirees in accordance with the provisions of the Retirement Ordinance, as amended, applicable collective bargaining agreements, and applicable state and federal laws, and

WHEREAS, the Board of Trustees ("Board") is vested with the general administration, management, and operation of the Retirement System, and has a fiduciary responsibility to make decisions solely in the interest of plan members and beneficiaries, and

WHEREAS, the Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, Michigan Public Act 314 of 1965, as amended, wherein the Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered, and

WHEREAS, the Board recognizes that in order for the members and beneficiaries of the Retirement System to have the best representation by their elected and appointed Trustees, it is imperative for the representatives of the Retirement System to participate in Board business, including Board meetings, continuing education programs, and due diligence evaluations of current and potential investments, and

WHEREAS, the Board recognizes that, consistent with its fiduciary duty and liability, it is necessary and appropriate for Retirement System representatives to attend Board meetings and educational seminars/conferences so that the Board may be made aware of developments regarding Retirement System administration, and so that the Board may further become aware of how persons acting in a like capacity administer their respective retirement systems, and

WHEREAS, the Board further recognizes that, consistent with its fiduciary duties, it is necessary to conduct regular due diligence on each current and prospective manager and consultant engaged by the Board in the ordinary course of business, and

WHEREAS, due to the fiduciary responsibilities entrusted to the Board, all Retirement System representatives are encouraged to participate in meetings of the Board and maintain the highest standards of conduct and ethics above the minimum requirements of applicable law and policy, and

WHEREAS, the Board desires to state its policy with regard to Trustee conduct and ethics therefore be it

RESOLVED, that each and every member of the Board shall diligently attend to the business of the Retirement System and shall not leave to other Board members control over the administration of the affairs of the Board and Retirement System, and further

RESOLVED, that Board members shall conduct official and private affairs so as to avoid giving rise to a reasonable conclusion that he or she can be improperly influenced in the performance of his or her public duty or that he or she is using his or her position on the Board to further his or her own financial interests, and further

RESOLVED, Board members shall not do any of the following:

- (a) accept or solicit any gift, favor, or service that may reasonably tend to influence a trustee in the discharge of official duties or that the trustee knows, or should know, is being offered with the intent to influence the trustee's official conduct;
- (b) accept other employment or compensation that could reasonably be expected to impair the trustee's independence of judgment in the performance of the trustee's official duties;
- (c) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the trustee's official powers or for having performed the trustee's official duties in favor of another;
- (d) transact any business in the trustee's official capacity with any entity or person in which the trustee has an economic interest;
- (e) appear before the Board of Trustees while acting as an advocate for their personal behalf or of any other person, group, or entity;
- (f) represent any business entity before the Board of Trustees, for pay;

use the position as a trustee to secure a special privilege or exemption for the trustee or others, or to secure confidential information for any purpose other than official duties; and
- (h) intentionally or knowingly disclose any confidential information gained by reason of the trustee's position concerning the property operations, policies or affairs of the Board of Trustees, or use such confidential information for pecuniary gain,

and further

RESOLVED, that Board members shall provide fair and equal treatment to all persons and matters coming before the Board, and further

RESOLVED, that Board members are expected to and may provide general information to Plan members, however, Board members shall also be aware of the risk of communicating inaccurate information to plan members (both active members and retirees), and the possible harm to a plan member that may result from any such miscommunications, and further

RESOLVED, that Board members shall mitigate the risk of miscommunication with plan members by refraining from providing specific detail, advice or counsel with respect to the rights or benefits to which a plan member may be entitled, and where explicit advice or counsel is needed, Board members will refer inquiries to the appropriate designee, and further

RESOLVED that the Board shall make this policy resolution available to the appropriate County, Union, and Departmental Representatives.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLICY RESOLUTION

Adopted: August 12, 2014

Re: Service Provider Disclosures

WHEREAS, the Board of Trustees ("Board") is vested with the authority and fiduciary responsibility for to manage and invest the assets of the Retirement System; and

WHEREAS, the Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, (Michigan Public Act 314 of 1965, as amended), wherein the Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered; and

WHEREAS, in light of its fiduciary responsibility, the Board recognizes that it is in the best interests of the Retirement System and its participants and beneficiaries to retain the services of qualified professional service providers, including, but not limited to: investment consultants, investment managers, investment banks/brokers, custodians, actuaries, auditors, attorneys, administrators and physicians to assist in and oversee the investments and administration of the Retirement System; and

WHEREAS, the Board is aware of the various disclosure requirements and "pay-to-play" restrictions imposed on its current and prospective service providers under the provisions of Act 314 and applicable federal law; and

WHEREAS, the Board is required to withhold payment from service providers who violate the "pay-to-play" provisions of Act 314 and applicable federal law; and

WHEREAS, several of the Retirement System's professional service providers qualify as "service providers" and/or "investment service providers" as that term is defined under Act 314; and

WHEREAS, the term "service provider" is defined in Act 314 as "a person retained to provide services to a system and includes investment advisers, consultants, custodians, accountants, auditors, attorneys, actuaries, administrators, and physicians. Service provider includes an investment service provider as defined in Section 13(7). Service provider does not include a regulated investment adviser"; and

WHEREAS, the term "investment service provider" is defined under Act 314 as "any individual, third-party agent, or consultant, or other entity that received direct or indirect compensation for consulting, investment management, brokerage, or custody services related to the system's assets"; and

WHEREAS, the Board is desirous of establishing a formal disclosure policy applicable to appropriate service providers in order to monitor said service providers' compliance with Act 314 and other applicable laws; therefore be it

RESOLVED that every year in the month of March, the Board shall require each of its current "investment service providers" to disclose in writing all fees or other compensation associated with its relationship with the Retirement System for the previous calendar year, as required under Section 13(7) of Act 314 [MCL 38.1133(7)], by submission of the attached Fee Disclosure Form; and further

RESOLVE that prior to the transfer of any Retirement System assets to a prospective "investment service provider", the prospective "investment service provider" shall be required to disclose all fees or other compensation to be associated with its relationship to the Retirement System through completion and submission of the Compensation Disclosure Form to the Board; and further

RESOLVED that every year in the month of March, the Board shall require all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.1133e] and/or Rule 206(4)-5 of the Investment Advisers Act of 1940 in the case of a regulated investment adviser; and further

RESOLVED that any service provider's failure or refusal to complete and submit either of the Retirement System's disclosure forms shall be deemed a violation of the requirements of Act 314 and this Policy, and shall result in appropriate action by the Board, including the possible suspension of payment for services rendered and/or termination of the service provider's relationship with the Retirement System; and further

RESOLVED that all service providers shall have an ongoing requirement to monitor all political contributions and, upon becoming aware of a violation, immediately disclose to the Board any and all political contributions that violate the restrictions of MCL 38.1133e and/or Rule 206(4)-5 of the Investment Advisers Act of 1940 in the case of a regulated investment adviser, including the date of the contribution, the name of the contributor, the name of the recipient, and the amount of the contribution; and further

RESOLVED that copies of this Policy shall be provided to all Retirement System service providers who shall be required to act in accordance with said Policy.

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE

July 8, 2014

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: VICE-CHAIRPERSON RICHARD BRZEZINSKI AT 1:30 P.M.

CORRECTED

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI (Vice Chairperson)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
COONAN	Y	Y	Y	Y	M-Y	Y	Y	M-Y	M-Y	Y
GRAY	E	E	E	E	E	E	E	E	E	E
GROMASKI	M-Y	M-Y	Y	Y	Y	Y	S-Y	Y	Y	Y
HEREK	Y	Y	S-Y	Y	Y	Y	Y	Y	Y	Y
MORSE	Y	Y	Y	S-Y	Y	Y	Y	Y	Y	Y
PETT	S-Y	Y	M-Y	M-Y	Y	M-Y	Y	S-Y	Y	S-Y
STARKWEATHER	Y	S-Y	Y	Y	Y	S-Y	M-Y	Y	Y	M-Y
GOETZ	Y	Y	Y	Y	S-Y	Y	Y	Y	S-Y	Y

TRUSTEE	11	12	13	14	15	16	17	18	19	20
BRZEZINSKI (Vice Chairperson)	Y	Y	Y	Y	Y	Y	N	Y		
COONAN	M-Y	Y	Y	Y	M-Y	S-Y	N	Y		
GRAY	E	E	E	E	E	E	E	E		
GROMASKI	S-Y	Y	M-Y	Y	Y	Y	N	S-Y		
HEREK	Y	Y	Y	M-Y	S-Y	M-Y	S-N	Y		
MORSE	Y	Y	Y	Y	Y	Y	N	Y		
PETT	Y	S-Y	S-Y	Y	Y	Y	N	M-Y		
STARKWEATHER	Y	M-Y	Y	S-Y	Y	Y	M-Y	Y		
GOETZ	Y	Y	Y	Y	Y	Y	N	Y		

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE

August 12, 2014

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:34 P.M.

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	E	E	E	E	E	E	E	E	E	E
COONAN	Y	Y	Y	M-Y	Y	Y	Y	Y	Y	Y
GRAY	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GROMASKI	M-Y	Y	Y	S-Y	Y	Y	S-Y	Y	Y	Y
HEREK	Y	Y	S-Y	Y	Y	Y	Y	M-Y	M-Y	M-Y
MORSE	Y	Y	Y	Y	S-Y	Y	Y	Y	Y	Y
PETT	Y	S-Y	Y	Y	M-Y	M-Y	M-Y	S-Y	Y	Y
STARKWEATHER	S-Y	M-Y	M-Y	Y	Y	Y	Y	Y	Y	Y
GOETZ	Y	Y	Y	Y	Y	S-Y	Y	Y	S-Y	S-Y

TRUSTEE	11	12	13	14	15	16	17	18	19	20
BRZEZINSKI	E	E	E	E	E					
COONAN	M-Y	Y	Y	M-Y	Y					
GRAY	Y	Y	Y	Y	Y					
GROMASKI	Y	Y	Y	Y	M-Y					
HEREK	S-Y	M-Y	M-Y	Y	Y					
MORSE	Y	Y	Y	S-Y	Y					
PETT	Y	S-Y	S-Y	Y	S-Y					
STARKWEATHER	Y	Y	Y	Y	Y					
GOETZ	Y	Y	Y	Y	Y					

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

Tracy Cederquist

From: Crystal Hebert
Sent: Wednesday, September 03, 2014 2:50 PM
To: Tracy Cederquist
Cc: Rebecca Marsters
Subject: FW: Prudential Real Estate Investors - Organizational Update

From: Howard Pohl [mailto:howardp@bogdahngroup.com]
Sent: Wednesday, September 03, 2014 1:48 PM
To: Crystal Hebert
Cc: Peter Brown; Shawna Walraven; Rebecca Marsters; Luis Bendana
Subject: RE: Prudential Real Estate Investors - Organizational Update

Hi Crystal, Thanks for the email. We heard about this over the weekend and our research group is studying it. I think it is worth having on the agenda.

Howard Pohl
225 West Wacker Drive, Suite 400
Chicago, IL 60606
Main# 312-782-5665
Direct Line# 312-782-5682
Fax# 312-782-6904



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From: Crystal Hebert [mailto:HebertC@baycounty.net]
Sent: Wednesday, September 03, 2014 11:56 AM
To: Howard Pohl
Cc: Peter Brown; Shawna Walraven; Rebecca Marsters
Subject: FW: Prudential Real Estate Investors - Organizational Update

Howard,

Hello. Have you received this information? Does this information need to go on the agenda?

Thanks,

Crystal Hebert

Bay County Finance Officer
515 Center Avenue, Ste. 701
Bay City, MI 48708
989-895-4030
hebertc@baycounty.net

From: Alexa Littler-Read [<mailto:alexa.littlerread@pramerica.com>] **On Behalf Of** Eric Adler
Sent: Wednesday, September 03, 2014 12:52 PM
To: eric.adler@pramericarei.com
Subject: Prudential Real Estate Investors - Organizational Update

Dear Investor,

I am writing to inform you of two upcoming organization changes.

Over the next several months Prudential Real Estate Investors will integrate its U.S. and Latin America businesses into one Americas platform. Kevin R. Smith, currently head of PREI's U.S. business, will become the head of the Americas, and Alfonso Munk, currently head of PREI's Latin America business, will become the chief investment officer of the Americas.

In addition, Cathy Marcus, senior portfolio manager of PRISA, will take on the role of global chief operating officer of PREI in January 2015. At that time, Frank Garcia will become senior portfolio manager of PRISA, with Cathy dedicating a portion of her time to facilitate the transition of the Fund through the end of 2015.

PREI Americas Integration

We have determined that an integrated operating platform spanning the Americas will allow us to deliver better investment results and more seamless service to our clients. Key areas of the integration include investment research, investor services, investment underwriting, operations, finance and administration, legal, compliance, human resources and valuations.

As head of the Americas, Kevin Smith will be responsible for integrating and developing the combined business platform. He will join the Latin America Executive Committee and the Latin America Investment Committee. As CIO of the Americas, Alfonso Munk will continue to be responsible for overseeing PREI's activities in Latin America and will work closely with Kevin on the overall integration and the management of the operations of PREI's business in the Americas region. He will oversee U.S. transactions, and will join the U.S. Executive Committee and the U.S. Investment Committee. Kevin and Alfonso will both continue to serve on the Global Management Committee and Global Investment Committee.

Kevin and Alfonso each bring significant real estate investment management experience to the region. Kevin has been with PREI for 32 years and has held a range of leadership and investment roles during his tenure, including senior portfolio management responsibility for PRISA, and has led the U.S. business since 2012. Alfonso, who has more than 16 years of real estate experience, joined PREI in 2012 to manage the Latin America business after spending more than a decade with Morgan Stanley's real estate investing group. At PREI, he adeptly assumed leadership of the Latin American investments and led the initial public offering of Terrafina, a Mexican-style REIT (FIBRA), which resulted from the consolidation of PREI's Mexican industrial portfolios. I am confident that their collective leadership will enable PREI to leverage the breadth of its resources across the Americas.

Cathy Marcus' Transition to Global Chief Operating Officer

At PREI, we believe that delivering our clients the best possible investment results and service hinges on developing and promoting our talent. Cathy Marcus is a valuable member of our leadership team having been with PREI for more than 15 years, the last 10 of which she has spent as a member of the PRISA portfolio management team.

As global COO, Cathy will broaden her scope, overseeing investor services and product strategy and development, as well as overseeing the coordination of fund accounting and operations globally. Cathy will report to me and will join PREI's Global Investment Committee and continue to serve on the Global Management Committee. We are confident that her

-2 / 4

client focus, real estate investment acumen, leadership and management expertise, and institutional knowledge will benefit all the regions of PREI.

Frank Garcia has more than 20 years of real estate experience, positioning him well to lead PRISA. He joined the PRISA portfolio management team in 2013 following 12 years with RREEF, Deutsche Bank A.G.'s real estate investment management division, and quickly assimilated into the team and assumed an important leadership role within PRISA. In addition to leading the Fund's recent bond financing, he has been a key contributor to the Fund's current strategy, most notably the shift from multifamily to industrial development, and the acquisition of high-quality west coast office properties.

Frank will continue to work closely with Joanna Mulford, portfolio manager and chief financial officer of PRISA, and Nicole Stagnaro, assistant portfolio manager. In addition, we expect to announce the hire of an additional portfolio manager for the Fund in the coming weeks.

We believe these changes will encourage and grow our leadership team, and support our long-term business goals to achieve superior risk-adjusted investment returns for our clients, deliver exemplary client service and be a trusted advisor to our clients. Thank you for your continued support of PREI. As always, please do not hesitate to contact us with any questions.

Sincerely,

Eric Adler
Chief Executive Officer

Prudential Real Estate Investors
Grand Buildings, 1-3 Strand
Trafalgar Square, London WC2N 5HR

Email: eric.adler@prudential.com
Tel: +44 (0)20 7766 2450
Mobile: +44 (0)7931 348 990

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September 3, 2014

Board of Trustees
Bay County Employees Retirement System
515 Center Avenue
Bay City, MI 48708

Dear Board Members:

The purpose of this letter is to confirm with the Bay County Employees Retirement System (BCERS), The Bogdahn Group's (TBG) fee for 2015. BCERS currently has a retainer fee arrangement with us. For 2015, the annual retainer fee remains \$140,000 annually, billed quarterly in advance. BCERS fee was last modified in 2006.

When we sold Becker, Burke Associates to The Bogdahn Group at the first of this year, TBG agreed to keep all existing fees as they were for two years. Our fee arrangement for the 2015 services covers: December, 2014 plus March, June, and September, 2015 performance reports and all associated consulting through December, 2015.

We value highly our relationship with Bay County and look forward to a continuing fine relationship. If there are questions or other ways, we can be of assistance, please let us know.

Sincerely

Howard Pohl
Senior Consultant, TBG

Cc: Crystal Herbert, Bay County Finance Officer, BCERS
Peter Brown, Senior Consultant, TBG
Richard Spurgeon, Chief Compliance Officer, TBG

RET. 2014	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE (RJFN)	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MFS	MFS INTER- NATIONAL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	WENTWORTH HIVHO	CASH	TOTAL
VENDOR #	0341	1039	464	28024	2080	4190	5749Z	3012Z	588Z	492Z	26357Z	9110Z	933Z	4400Z		80141		
JAN	24,463,170.06	15,810,418.52	10,892,785.36	15,636.55	10,845,477.76	23,655,590.81	11,093,089.76	33,704,722.73	17,312,317.81	42,185,660.33		25,341,796.15	17,867,691.90	42,025,846.40	12,827,293.37	1,556.12	2,315,529.80	290,376,576.53
FEB	24,551,115.13	18,435,350.37	11,477,154.97	15,637.07	11,334,968.12	23,126,136.82	11,626,222.96	34,155,815.39	17,896,798.78	44,594,775.30		25,791,007.32	19,007,323.01	43,808,087.15	13,419,634.59	1,556.12	4,106,385.47	301,343,958.57
MARCH	24,451,455.29	16,112,044.93	11,576,063.43	15,637.73	10,990,878.81	22,732,378.59	11,880,593.12	34,155,505.52	17,889,095.57	43,121,006.00		26,219,742.92	19,196,246.07	44,725,223.10	13,525,599.60	1,556.12	2,876,706.83	299,471,561.93
APRIL	24,633,385.70	16,163,335.27	11,969,963.90	15,638.20	10,525,312.54	22,013,818.56	11,824,986.92	34,626,938.79	17,928,508.41	42,446,608.11		25,950,856.13	19,081,951.23	44,652,815.17	13,624,871.35	1,556.12	1,904,680.39	297,385,106.79
MAY	24,915,612.38	16,285,668.70	12,255,488.81	68.90	10,420,987.19	22,036,229.29	11,146,205.96	35,135,493.30	18,321,580.97	43,984,227.36		24,495,435.08	19,263,222.79	45,859,847.45	13,944,380.56	0.00	4,112,797.10	302,207,316.74
JUNE	24,931,343.96	16,894,004.48	12,423,450.65	68.55	11,211,134.08	22,793,475.08	11,587,020.17	35,265,278.33	18,656,218.19	44,466,394.79		25,308,477.75	19,351,835.83	46,768,622.83	14,232,341.81	0.00	2,827,143.13	306,715,810.23
JULY	24,839,118.41	18,367,025.77	12,427,115.99	0.00	10,702,516.89	22,342,644.27	10,102,458.71	35,165,719.09	18,439,015.63	44,224,655.02		22,450,886.87	18,977,628.77	46,273,659.13	14,035,880.87	0.00	4,732,900.57	301,081,339.79
AUG	25,064,048.76	51,894.16	12,770,919.37	0.00	11,251,620.17	23,151,757.08	10,563,762.74	35,768,363.95	18,956,511.30	45,669,476.94	16,013,777.36	23,658,543.97	19,133,366.02	46,252,228.01	14,596,745.53	0.00	3,328,213.24	308,249,251.80
SEPT																		0.00
OCT																		0.00
NOV																		0.00
DEC																		0.00
2014																		
1ST QTR	18,338.59	37,658.92	17,384.14		23,354.79	43,448.00	28,633.33	26,350.69	21,873.73	64,004.36		52,095.00	36,475.38	54,877.10	12,827,293.37		2,895,900.69	3,320,172.31
2ND QTR		36,578.02	18,628.53		23,928.30	41,777.00	28,768.42	27,039.78	22,398.39			51,097.00		56,717.85			2,827,211.68	3,136,174.97
3RD QTR									23,363.98									23,383.98
4TH QTR																		0.00
2014 YTD	18,338.59	76,236.94	35,992.67	0.00	47,283.09	57,631.75	57,631.75	53,390.47	57,456.10	64,004.36	0.00	103,192.00	36,475.38	111,394.95		0.00		

INVESTMENT MANAGER FEES ARE PAID FROM: 73127400 80100 (Professional Services)

BAIRD GOVERNMENTAL FIXED INCOME MANAGER
 BARINGS LARGE CAP GROWTH INTERNATIONAL EQUITY MANAGER
 COLUMBIA LARGE CAP DEEP VALUE MANAGER
 CORNERSTONE REAL ESTATE REAL ESTATE INVESTMENT TRUST MANAGER
 EAGLE SMALL-CAP GROWTH MANAGER
 GENEVA MID-CAP GROWTH MANAGER
 HOTCHKIS & WILEY SMALL CAP VALUE MANAGER
 INTEGRITY MID-CAP VALUE MANAGER
 LOOMIS SAYLES CORPORATE BOND MANAGER
 MACKAY SHIELDS CONVERTIBLE BOND MANAGER
 MFS LARGE CAP GROWTH EQUITY MANAGER
 SCHRODER INTERNATIONAL SMALL/MID CAP EQUITY MANAGER
 WENTWORTH LARGE CAP CORE MANAGER

7

INVESTMENT MANAGER FEE SCHEDULES

BAIRD	.30% - FIRST \$25 MILLION .25% - NEXT \$25 MILLION .20% - NEXT \$0 MILLION .15% - THEREAFTER
BARING	.95% - ON ASSETS UNDER MANAGEMENT
COLUMBIA	.50% - FIRST \$40 MILLION .40% - NEXT \$60 MILLION
CORNERSTONE	.60% - OF THE FAIR MARKET VALUE OF ASSETS
EAGLE	.85% - ON ASSETS UNDER MANAGEMENT
GENEVA	.75% - ON ASSETS UNDER MANAGEMENT
HOTCHKIS & WILEY	1.00% - ON ASSETS UNDER MANAGEMENT
INTEGRITY	.85% - FIRST \$15 MILLION .75% - NEXT \$25 MILLION
LOOMIS SAYLES	.35% - FIRST \$20 MILLION .25% - NEXT \$80 MILLION .20% - OVER \$100 MILLION
MACKAY SHIELDS	.50% - UP TO \$100 MILLION .40% - ABOVE \$100 MILLION
MFS	.60% - ON FIRST \$50 MILLION
SCHRODER	.75% - UP TO \$10 MILLION .50% - UP TO \$100 MILLION
WENTWORTH	.80% - FIRST \$2 MILLION .60% - NEXT \$8 MILLION .50% - NEXT \$10 MILLION .40% - NEXT \$10 MILLION .30% - OVER \$30 MILLION

Charles B. Groeschell

Managing Director
Senior Portfolio Manager
Baird Advisors

July 25, 2014

Ms. Janie Tacey
Retirement Administrator/Accountant
Bay County Employees' Retirement System
515 Center Avenue, Suite 706
Bay City, MI 48708-5128

Dear Janie:

Enclosed please find a summary review as of June 30, 2014 for the Bay County Employees' Retirement System Portfolio managed by Baird Advisors.

Market Review

The 2nd quarter looked like a mirror image of the 1st quarter as U.S. Treasury yields continued to decline on five year and longer maturities. Also, the yield curve flattened further and yield spreads on non-U.S. Treasury sectors continued to grind modestly tighter. The market's focus continues to be: 1) the timing of the first rate hike by the Fed that will likely occur in 2015 following the wind down of the QE bond buying later this year, 2) the growth path for the U.S. economy following the sharp 2.9% decline in 1st quarter GDP driven by one-time factors led by severe winter weather and 3) concerns over heightened geopolitical risk in Ukraine and now the Middle East. Spread sectors continued to outperform similar duration U.S. Treasuries due to strong credit fundamentals and an environment of moderate growth and well-behaved inflation at or below the Fed's long-term target of 2%.

Please find attached a copy of our June 2014 Bond Market Comments which provide a more detailed review of the market.

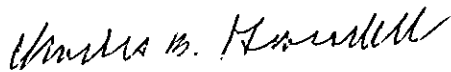
Performance Update

Bay County Employees' Retirement System Portfolio produced attractive absolute and relative returns in the 2nd quarter 2014. The portfolio's outperformance relative to the benchmark in the quarter continued to come primarily from an underweight to short and intermediate maturity U.S. Treasuries and Government Agencies, in addition to exposure to high quality commercial mortgage-backed securities (CMBS). Strong demand in this non-Government sector continued to drive performance.

We remain confident in the portfolio's overall structure and ability to continue to outperform the benchmark. As the market comes to terms with the Fed ending its QE bond buying later this year, the risk environment remains elevated given uncertainty surrounding the longer term implications of the Fed's exit plan as well as continued growth and inflation concerns both domestically and in emerging markets. We believe select credits still offer good relative value despite this elevated risk environment, as company balance sheets and fundamentals remain solid. As discussed in the 1st quarter, we continue to believe that our risk-controlled, bottom up approach to bond investing is a prudent strategy for this type of market as we research and invest in select credits and structures demonstrating strong fundamentals and good relative value.

Please let us know if you have any questions as you review this information. Again, we sincerely appreciate the opportunity to serve as your fixed income investment manager.

Sincerely,



Charles B. Groeschell

cc: Luis Bendana - The Bogdahn Group

Bay County Employees' Retirement System

Fixed Income Portfolio

June 30, 2014

	Fixed Income Portfolio	Customized Benchmark
Average Quality	AA	AAA
Average Coupon	3.48 %	2.97 %
Current Yield	3.14 %	2.84 %
Yield to Maturity	2.04 %	1.94 %
Duration	5.09 years	5.09 years
Average Maturity	6.06 years	6.72 years

Quality Profile

US Treasury	36.1 %	45.3 %
Agency	61.8 %	54.7 %
Aaa	2.1 %	0.0 %
Aa	0.0 %	0.0 %
A	0.0 %	0.0 %
Baa	0.0 %	0.0 %
	<hr/> 100.0 %	<hr/> 100.0 %

Sector Profile

US Treasury	36.1 %	45.3 %
Agency	1.6 %	4.7 %
Mortgages/CMOs	44.9 %	50.0 %
Asset-Backed	0.0 %	0.0 %
CMBS	15.3 %	0.0 %
Other Govt	0.0 %	0.0 %
Industrial	0.0 %	0.0 %
Utility	0.0 %	0.0 %
Financial Institutions	0.0 %	0.0 %
Cash	2.1 %	0.0 %
	<hr/> 100.0 %	<hr/> 100.0 %

Number of Issues	81	1,320
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Market Value	\$24,931,344
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Customized Benchmark is comprised of 50% Barclays Government & 50% Barclays MBS

Bay County Employees' Retirement System

Fixed Income Portfolio

Gross Investment Performance

03/31/06 through 06/30/14

Year		Fixed Income Portfolio	Customized Benchmark
2006	Year-to-Date	5.04%	4.85%
2007		7.20%	7.78%
2008		9.13%	10.36%
2009		3.72%	1.79%
2010		5.63%	5.46%
2011		7.91%	7.62%
2012		3.05%	2.32%
2013		-2.59%	-2.00%
2014	1st Quarter	1.56%	1.45%
	2nd Quarter	1.96%	1.87%
	Year-to-Date	3.55%	3.35%
Total Return 03/31/06-06/30/14		51.01%	49.28%
Annualized Return		5.12%	4.98%

The performance is presented on a cumulative basis and does not reflect the deduction of investment advisory fees. Return would be reduced by advisory fee and other fees such as custodial expenses. The maximum fee found in Baird Advisors form ADV is 30 basis points. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. The 50% Barclays Government & 50% Barclays MBS Index is an unmanaged portfolio of specific securities. The portfolio does not invest in all the securities traded in the index. Direct investment in the index is not available. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports.

Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on security valuations provided by client's custodian for purposes of performance reports.

The Baird Advisors Brochure, which serves as a substitute for Form ADV Part II, is available upon request.

Bay County Employees' Retirement System

Fixed Income Portfolio

Net Investment Performance

03/31/06 through 06/30/14

Year		Fixed Income Portfolio	Customized Benchmark
2006	Year-to-Date	4.80%	4.85%
2007		6.89%	7.78%
2008		8.81%	10.36%
2009		3.41%	1.79%
2010		5.31%	5.46%
2011		7.59%	7.62%
2012		2.74%	2.32%
2013		-2.88%	-2.00%
2014	1st Quarter	1.48%	1.45%
	2nd Quarter	1.89%	1.87%
	Year-to-Date	3.40%	3.35%
Total Return 03/31/06-06/30/14		47.34%	49.28%
Annualized Return		4.81%	4.98%

The performance is presented on a cumulative basis. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. The 50% Barclays Government & 50% Barclays MBS Index is an unmanaged portfolio of specific securities. The portfolio does not invest in all the securities traded in the index. Direct investment in the index is not available. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports.

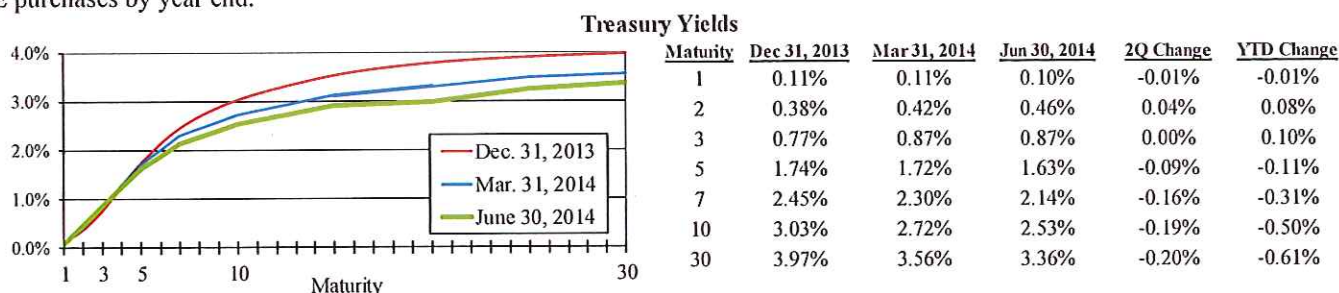
Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on security valuations provided by client's custodian for purposes of performance reports.

The Baird Advisors Brochure, which serves as a substitute for Form ADV Part II, is available upon request.

Baird Advisors
Fixed Income Market Comments
June 2014

Yields Edge Up in June, Fall during Quarter

Treasury yields edged higher (0 to +10 bps) in June as encouraging economic releases for May (e.g. Total Vehicle Sales at 16.7 million units, Nonfarm Payrolls +217,000, Existing Home Sales +4.9%, Core PPI and CPI +2.0% YOY) augured that 2nd quarter GDP (to be released on July 30) will be strong. However, yields were still lower overall during the 2nd quarter (by as much as 20 bps) and the yield curve flattened further with the difference between 2 and 30-year Treasuries declining to 290 bps on June 30 from 314 bps on March 31 (see chart and table below). The Fed's confirmation that it will taper QE purchases to [just] \$35 billion per month beginning in July (from \$45 billion) bolstered the consensus expectation that tapering is on track to eliminate QE purchases by year end.



Yield Spreads Grind Tighter

Investors hungry for yield felt the pinch of lower interest rates during the 2nd quarter and continued to buy non-Treasury issues to help satisfy their desire for more income. As a result, yield spreads on non-Treasury sectors continued to grind tighter in June and have contracted significantly year to date (see table at right). CMBS spreads, which lagged other investment grade sectors last year, have tightened dramatically this year (-40 bps) and spreads on utilities, which had been wider than those of industrials and finance at year end, have also tightened sharply (-27 bps) and are now in line. High yield spreads have also narrowed (-45 bps) on strong investor demand.

Option-Adjusted Spreads (in bps)

	12/31/13	5/30/14	6/30/14	YTD Change
U.S. Aggregate Index	45	40	38	-7
U.S. Agency (non-mortgage) Sector	17	14	13	-4
Mortgage and ABS Sectors				
U.S. Agency Pass-Throughs	34	29	24	-10
Asset-Backed Securities	55	50	48	-7
CMBS	126	110	86	-40
Corporate Sectors				
U.S. Investment Grade	114	101	99	-15
Industrial	114	101	102	-12
Utility	125	112	98	-27
Financial Institutions	109	99	96	-13
U.S. High Yield	382	352	337	-45

Source: Barclays

Weak Month, Strong Quarter

June's increase in yields made for weak returns for the month, but strong 2nd quarter returns contributed to impressive 1st half results for the bond market (see table below). Investors' ongoing desire for more yield continued to drive returns and non-Treasury sectors outperformed by considerable margins. Investment grade corporates (+2.66% Q2, +5.68% YTD) led all taxable sectors despite record new supply (10% above 2013) while limited YTD municipal issuance (20% below 2013) helped propel that sector (+2.59% Q2, +6.00% YTD) to the top spot through June. Mortgages (+2.41% Q2, +4.03% YTD) also benefited from limited new supply and TIPS surged (+3.81% Q2, +5.83% YTD) on expectations that strong 2nd quarter GDP could result in higher inflation down the road. Full market indices with long bond exposure benefited from the flattening of the yield curve (e.g. BC Agg. +2.05% Q2, +3.93% YTD) while shorter indices experienced more modest returns (e.g. BC 1-3 Yr. G/C +0.33% Q2, +0.56% YTD).

Total Returns of Selected Barclays Indices and Subsectors

Barclays Index/Sector	June	2Q	YTD
U.S. Aggregate Index	0.05%	2.05%	3.93%
U.S. Gov't/Credit Index	-0.04%	1.92%	3.94%
U.S. Intermediate Gov't/Credit Index	-0.07%	1.24%	2.25%
U.S. 1-3 Yr. Gov't/Credit Index	-0.05%	0.33%	0.56%
U.S. Treasury	-0.14%	1.35%	2.72%
U.S. Agency	0.04%	1.52%	2.78%
MBS (Mortgage Backed Securities)	0.26%	2.41%	4.03%
CMBS (Commercial Mortgage Backed Securities)	0.18%	1.31%	2.62%
ABS (Asset-Backed Securities)	0.04%	0.77%	1.31%
U.S. Corporate - Investment Grade	0.08%	2.66%	5.68%
Corporate High Yield	0.84%	2.41%	5.46%
Municipal Bond Index	0.09%	2.59%	6.00%
TIPS (Treasury Inflation Protected Securities)	0.30%	3.81%	5.83%

Date: July 24, 2014

To: Ms. Janie Tacey
 Retirement Accountant
 Bay County Employees' Retirement System
 515 Center Avenue, Suite 706
 Bay City, MI 48708-5128

Bay County Employees' Retirement System
 Account Fees for 2nd Quarter 2014

	Market Value as of 06/30/14
Bay County	\$ 24,931,344
<u>Fee Schedule</u>	
30 basis points on the first \$25 million	\$ 74,794.03
25 basis points on the next \$25 million	\$ -
20 basis points on the next \$50 million	\$ -
15 basis points on the balance	\$ -
Annual Fee	\$ 74,794.03
Quarterly Fee	\$ 18,698.51

*Figures shown in the report are in US dollars and may be subject to rounding.
 Please remit payment to:*

Wire Instructions
 BMO Harris Bank
 ABA # 071000288
 FBO Robert W. Baird & Co., Inc.
 Account 386-423-8
 Swift: HATRUS44
 Reference: BA141674

Mailing Instructions
 Robert W. Baird & Co., Inc.
 BIN 010654
 Milwaukee, WI 53288-0654
 Reference: BA141674
 Phone Number 414-298-1060

**Alan Puklin**Sr. Relationship Manager
Institutional Client Service100 Park Avenue
New York, NY 10017
Tel: 212.850.1612
Fax: 212.682.6460
alan.puklin@columbiamanagement.com

July 24, 2014

Ms. Janie Tacey
Bay County Employees' Retirement System
515 Center Street Suite 706
Bay City, MI 48708-5128Re: **Bay County Retirement 2nd Quarter 2014**

Dear Ms. Tracey:

We are pleased to enclose our report for the quarter ended June 30, 2014. Attached, is the Quarterly Investment Review as well as the separate financial reporting report which includes the holdings, transactions, brokerage commissions and cash flow.

The performance for your portfolio as of June 30, 2014 was as follows:

	Market Value as of 06/30/2014	Quarter ended 06/30/2014	6 Months ended 06/30/2014	Since Inception*
Total Portfolio	\$46,770,022	4.57%	8.20%	7.56%
Russell 1000 Value Index +1% annually		5.36%	8.82%	7.67%
S&P 500 Index		5.23%	7.14%	4.83%

* Inception Date: January 26, 2001

U.S. stocks continued to rise in the second quarter of the year. Stocks advanced despite the troubling global environment including escalating violence in Ukraine; slowing growth in China; and renewed violence in the Middle East. U.S. stock performance was fairly equal among various sectors as measured by the S&P 500 Index.

Large and mid-cap stocks outperformed small-caps during the second quarter. Energy was the best performing sector in the broad market for the quarter while Financials lagged all other sectors. Utilities also performed well as investors looked for yield in a continued low rate environment. We have always maintained a very low or zero weight to utilities as in our opinion they are a bond substitute and do not have the investment characteristics we look for in our process.

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On an absolute basis the portfolio underperformed the Russell 1000 Value Index and the broad market as measured by the S&P 500 Index for the quarter. The underperformance for the quarter was attributable to both sector and individual stock selection. On a contribution to return basis Energy was the best performing sector while Financials were the largest detractors for the quarter.

If you have any questions on your account or would like to discuss any aspect of portfolio performance, please do not hesitate to call me.

Sincerely,



Alan J. Puklin
Enclosure

The views expressed are as of the date given, may change as market or other conditions change, and may differ from views expressed by other Columbia Management Investment Advisers, LLC (CMIA) associates or affiliates. Actual investments or investment decisions made by CMIA and its affiliates, whether for its own account or on behalf of clients, may not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Investment decisions should always be made based on investor's specific financial needs, objectives, goals, time horizon, and risk tolerance. Asset classes described may not be suitable for all investors. Past performance does not guarantee future results and no forecast should be considered a guarantee either. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that any forecasts are accurate.

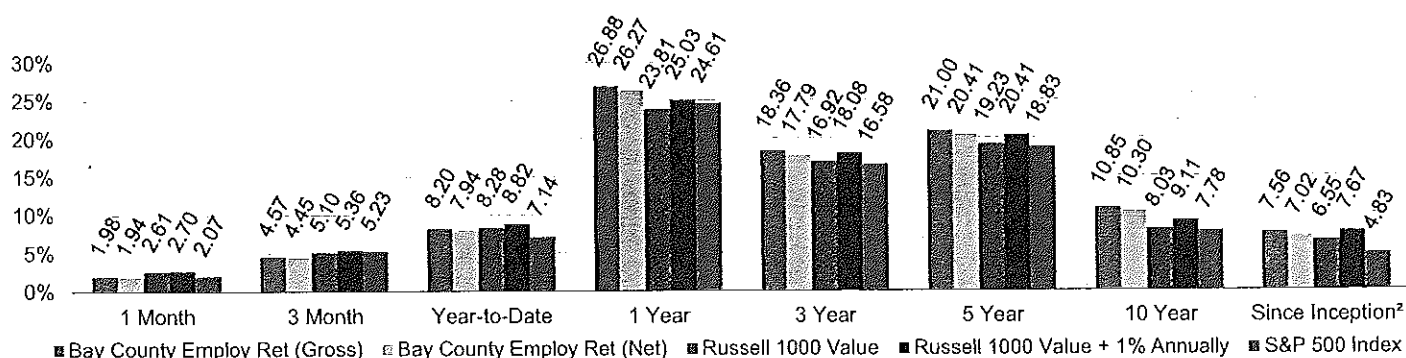
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Bay County Employees Retirement System

Reconciliation of Assets¹

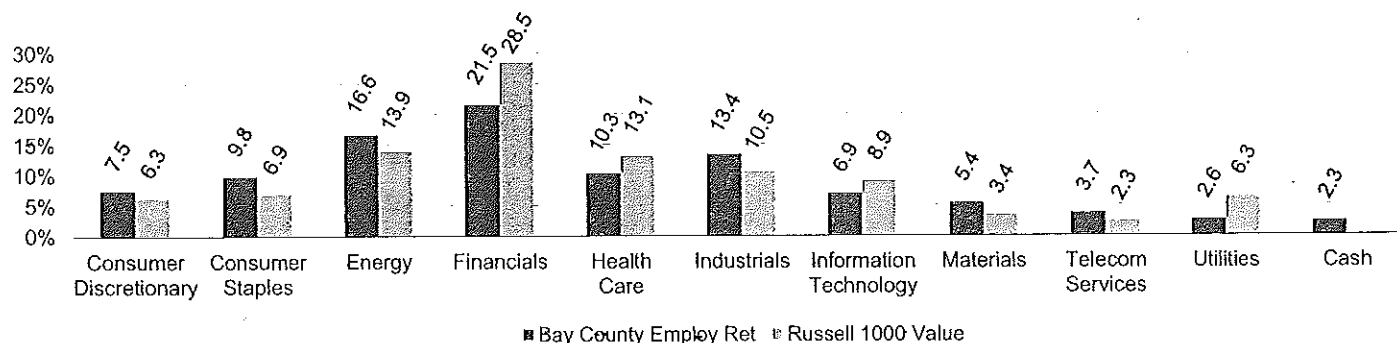
Beginning Market Value 04/01/2014	\$ 44,725,206
Net Contributions/Withdrawals	\$ -
Income Earned	\$ 244,982
Change in Market Value	\$ 1,799,834
Ending Market Value 06/30/2014	\$ 46,770,022

Performance



	1 Month (%)	3 Month (%)	Year-to-Date (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception ² (%)
Bay County Employees Retirement System (Gross)	1.98	4.57	8.20	26.88	18.36	21.00	10.85	7.56
Bay County Employees Retirement System (Net)	1.94	4.45	7.94	26.27	17.79	20.41	10.30	7.02
Russell 1000 Value Index	2.61	5.10	8.28	23.81	16.92	19.23	8.03	6.55
Russell 1000 Value + 1% Annually	2.70	5.36	8.82	25.03	18.08	20.41	9.11	7.67
S&P 500 Index	2.07	5.23	7.14	24.61	16.58	18.83	7.78	4.83

Sector Allocation as of 06/30/2014



¹ Asset values can differ slightly due to rounding.

² Inception Date: 01/27/2001

Source: Columbia Management Investment Advisers, LLC, Factset

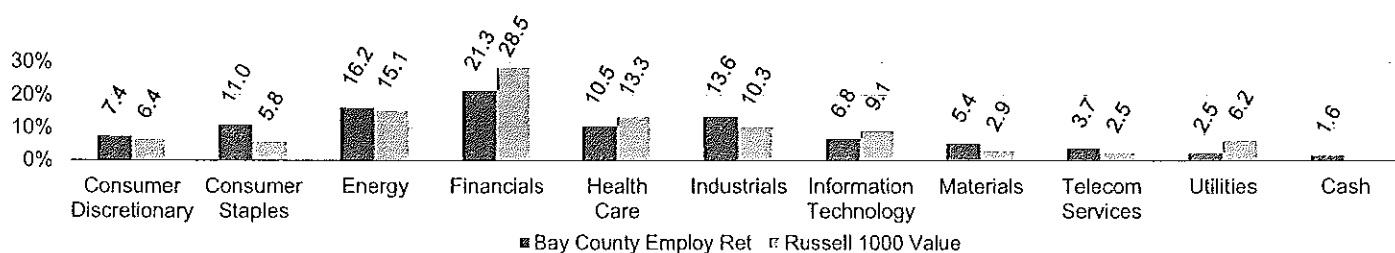
Past performance does not guarantee future results. Please refer to the Disclosures at the end of this presentation for more information.

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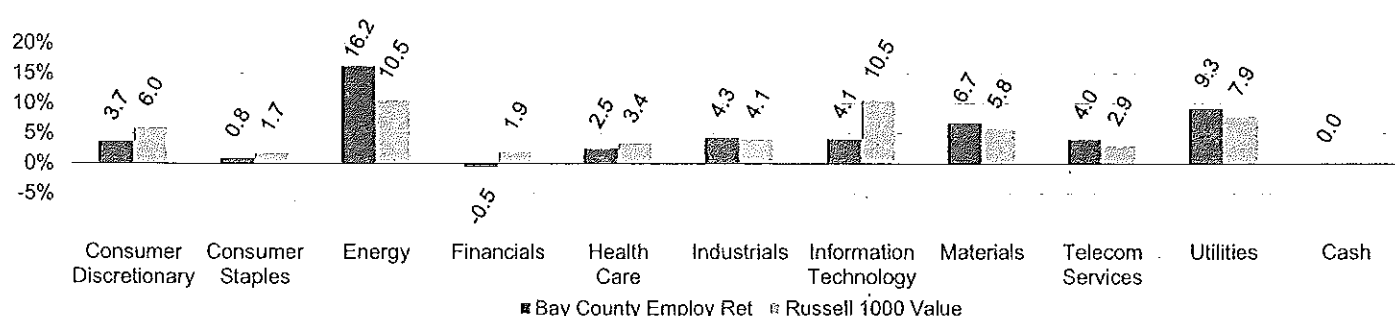
Bay County Employees Retirement System

Characteristics ¹	Bay County Employ Ret	Russell 1000 Value
Number of Holdings	36	685
Weighted Median Market Cap (mil.)	\$50,507.1	\$58,080.0
Weighted Average Market Cap (mil.)	\$77,454.0	\$109,990.1
Return on Equity	15.1%	13.2%
Price/Earnings (forward 12 mo.)	13.6x	14.4x
Dividend Yield	2.0%	2.2%
Price/Book	1.9x	1.8x

Average Quarterly Sector Allocation



Sector Performance



Attribution Analysis	Stock Selection (%)	Sector Weighting (%)	Net Contribution (%)
Consumer Discretionary	-0.18	0.01	-0.17
Consumer Staples	-0.10	-0.16	-0.26
Energy	0.84	0.04	0.88
Financials	-0.58	0.22	-0.36
Health Care	-0.08	0.05	-0.03
Industrials	0.03	-0.03	0.00
Information Technology	-0.43	-0.12	-0.55
Materials	0.05	0.01	0.06
Telecom Services	0.04	-0.03	0.01
Utilities	0.02	-0.09	-0.07
Cash	0.00	-0.09	-0.09
Total	-0.39	-0.19	-0.58

Top 5 Contributors	Contribution to Return
Williams Companies, Inc.	0.99
Anadarko Petroleum Corporation	0.92
Humana Inc.	0.51
Altria Group, Inc.	0.50
Applied Materials, Inc.	0.42
Top 5 Detractors	Contribution to Return
Tyson Foods, Inc. Class A	-0.54
Bank of America Corporation	-0.43
Bristol-Myers Squibb Company	-0.23
Juniper Networks, Inc.	-0.15
JPMorgan Chase & Co.	-0.15

¹ Weighted Harmonic Average.

Source: Factset

Past performance does not guarantee future results. Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Securities listed may not have been held for the entire period shown. For a discussion of calculation methodology and a list showing every holding's contribution to the overall accounts' performance during the period, contact your relationship manager. Please refer to the disclosures at the end of this presentation for more information.

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Bay County Employees' Retirement System - 05231100

Portfolio Style: SmallCap Growth Equity

Portfolio Summary

	Month To Date	Year To Date
Beginning Market Value	11,260,374.89	11,026,120.85
Contributions	0.00	0.00
Withdrawals	-8.16	-117.87
Dividend and Interest Income	3,863.01	27,654.26
Change in Market Value	-565,891.33	-355,318.83
Ending Market Value	10,698,338.41	10,698,338.41

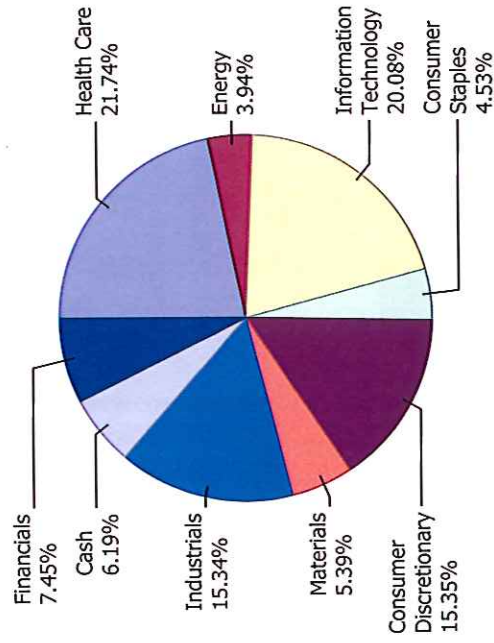
Performance Summary

	MTD	QTD	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	-4.99	-4.99	-2.97	5.06	12.31		18.50
Net	-5.27	-5.27	-3.64	4.17	11.34		17.54
RU20GRTR ¹	-6.06	-6.06	-3.97	8.93	13.63		20.06

¹ Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

Industry Weightings



Top Ten Holdings

Security Description	Total Market Value	% of Market Value
MARTIN MARIETTA MATERIALS	254,298.81	2.38%
GENESCO INC	229,420.16	2.14%
NATUS MEDICAL INC	228,232.41	2.13%
CENTENE CORP	219,874.50	2.06%
QUAKER CHEMICAL CORP	208,087.67	1.95%
BELMOND LTD-CLASS A	201,425.60	1.88%
ASPEN TECHNOLOGY INC	191,440.08	1.79%
HOMEAWAY INC	173,565.28	1.62%
UNIVERSAL ELECTRONICS INC	169,753.32	1.59%
VITAMIN SHOPPE INC	162,368.55	1.52%

Geneva Capital Management Ltd.
PERFORMANCE HISTORY
NET OF FEES
Bay County Employees' Retirement System
XXXX9057 (bcers)

From 12-31-2013 to 06-30-2014

Time Period	Percent Return Per Period		
	Total Account	Equities	Russell Midcap Growth Index
12-31-2013 to 03-31-2014	-1.24	-0.94	2.04
03-31-2014 to 06-30-2014	0.07	0.36	4.37
Date to Date			
12-31-2013 to 06-30-2014	-1.16	-0.58	6.51

Geneva Capital Management Ltd.
PERFORMANCE HISTORY
NET OF FEES
Bay County Employees' Retirement System
XXXX9057 (bcers)

From 01-17-2013 to 07-31-2014

Time Period	Percent Return Per Period		
	Total Account	Equities	Russell Midcap Growth Index
01-17-2013 to 12-31-2013	25.11	26.17	29.97
12-31-2013 to 07-31-2014	-3.30	-2.62	3.32
Date to Date			
01-17-2013 to 07-31-2014	20.98	22.87	34.29
Annualized	13.22	14.36	21.18

Please compare the information in Geneva's client reports with the information provided by the independent custodian of your account(s).

The market value on Geneva's report may differ from the value on the statement provided by your custodian due to cut off date, unsupervised assets (if applicable), pricing, or deposits/withdrawals. For tax purposes, refer to custodian records and consult with your tax adviser for advice. Geneva's reports should not be relied upon for tax purposes. Cost basis data is provided for informational purposes only and may differ from custodian records. Please reference your custodial statement for the current yield on money market fund(s). If you are not receiving periodic statements directly from your custodian, please contact Geneva immediately at 414-224-6002. Thank you.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Small Cap Value Total Market Value: \$10,102,373 (1.2% Cash) Month Ended July 31, 2014

Performance Returns - Gross of Fees				Washed Average Portfolio Characteristics			
	MTD	QTD	YTD	Since Incept.	Portfolio	Rus 2000 V	Rus 2000
Portfolio - Total Return	-4.45 %	-4.45 %	4.70 %	10.74 %	14.5x	14.9x	15.9x
Portfolio - Equity Only	-4.34	-4.34	5.06	10.74	5.4x	7.7x	9.9x
Russell 2000 Value Index	-6.05	-6.05	-2.10	8.19	1.4x	1.4x	2.1x
Russell 2000 Index	-6.05	-6.05	-3.06	8.37	1.2%	2.0%	1.4%
S&P 500 Index	-1.38	-1.38	5.66	8.00	\$2,262	\$1,571	\$1,714
Commitment of portfolio: 12/1/03. Periods over one year are average annualized returns.				58 / 53%			

Top 10 Bottom Five Contributors to Performance				Top 10 Stocks - Total Portfolio			
	End Wgt	Ttl Ret.	Contr.	Major Buy(Sell)	*New buy/final sell	+/-	End Wgt
LifePoint Hospitals Inc.	2.56 %	15.49 %	0.42 %	Bally Technologies Inc.		0.8% *	5.1 %
Kaiser Aluminum Corp.	4.51	6.48	0.26	Invacare Corp.		0.7%	5.0
Noranda Aluminum Hldg	1.44	25.21	0.25	Platinum Underwriters Hlds Ltd		0.6%	4.5
ARRIS Group Inc.	3.18	5.04	0.15	First Bancorp/Puerto Rico		0.5% *	4.0
Horsehead Hldg Corp.	2.41	2.57	0.06	Hanger Inc.		0.5%	3.6
Horace Mann Educators	3.63 %	-8.38 %	-0.31 %	(Kaiser Aluminum Corp.)		-0.5%	3.6
NRG Energy Inc.	2.31	-16.40	-0.43	(Masonite Int'l Corp.)		-0.5%	3.3
Rent-A-Center Inc.	2.63	-16.53	-0.50	(Con-way Inc.)		-0.6%	3.2
WellCare Health Plans Inc.	3.03	-16.45	-0.57	(Miller Inds. Inc./TN)		-0.7%	3.1
Masonite Int'l Corp.	5.10	-12.89	-0.68	(LifePoint Hospitals Inc.)		-0.9%	3.0

Performance Attribution				Allocation			
Portfolio		Russell 2000 Value		Sector		Total	
Avg Wgt	Equ. Ret.	Avg Wgt	Equ. Ret.	Stock		Stock	End Wgt
Materials	8.07 %	7.74 %	-5.02 %	0.04	0.97	1.01	12.3 %
Industrials	26.74	-4.11	-7.16	-0.15	0.81	0.67	9.7
Health Care	11.94	-3.09	-6.06	0.00	0.35	0.34	8.4
Information Technology	9.00	-3.23	-6.76	0.00	0.32	0.33	7.1
Energy	1.26	-10.68	-10.40	0.27	0.00	0.27	5.6
Consumer Staples	0.00	0.00	-5.72	-0.01	0.00	-0.01	5.1
Telecommunication Services	0.00	0.00	-3.21	-0.02	0.00	-0.02	5.0
Financials	28.87	-3.90	-4.10	-0.20	0.05	-0.15	4.8
Utilities	4.47	-12.69	-8.46	0.05	-0.21	-0.16	4.1
Consumer Discretionary	9.66	-13.35	-7.19	0.02	-0.62	-0.60	3.6
				0.00	1.68	1.68	

Returns are calculated using daily holding information, gross of fees, within Bloomberg. Returns calculated using this buy-and-hold methodology can differ from actual portfolio returns due to intraday trades, cash flows, accrued/miscellaneous income, corporate actions, and trade price and closing price difference of any given security. Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the Global Industry Classification Standard by MSCI and Standard and Poor's.

Bay County Employees' Retirement System
 MFS® Heritage Trust Company CIT - MFS International Growth Fund
 Class 01 Shares
 Report as of 31 August 2014

Performance results (%) class 01 shares net of expenses (USD)			
Period	Portfolio net	Benchmark [^]	Excess ^{^^}
Since client inception (06-Aug-14)	1.34	2.50	-1.16

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses does not include management fees.

[^] MSCI All Country World (ex-US) Growth Index (net div)

^{^^} Excess return net vs benchmark

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MFS Heritage Trust Company

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Bay County Employees' Retirement System
Growth Equity
Report as of 31 July 2014

Performance results (%) gross and net of fees (USD)

Period	Portfolio gross	Portfolio net	Benchmark ^A	Excess ^{AA}
July	-0.57	-0.62	-1.53	0.91
2Q 2014	3.15	3.00	5.13	-2.13
1Q 2014	-0.06	-0.21	1.12	-1.33
2014 YTD	2.50	2.14	4.68	-2.54
1 year	19.53	18.82	18.69	0.13
Since client inception (04-Sep-12)	22.52	21.78	19.56	2.22

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^A Russell 1000 Growth Index

^{AA} Excess return net vs benchmark

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MFS Institutional Advisors, Inc.

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JULY 2014

OVERVIEW OF MONTHLY PERFORMANCE

MACKAY

MARKET OVERVIEW

The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, declined -2.04% in July 2014, while underlying equities fell -3.89%. During the month, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, increased 0.68%, while speculative-grade convertibles sank -2.89%. Year-to-date, the All Convertible Index is up 7.28%.

Convertible securities declined during the month of the July as underlying equities generally fell. During the month, the Standard & Poor 500 Index declined nearly -1.5% while the broader Russell 2000 sank more than -6%. Despite generally benign economic reports and second quarter earnings results that largely exceeded expectations, stocks declined in response to geopolitical crises and profit taking, as many investors believe that the market is due for a pullback amid fear that the Federal Reserve will begin raising interest rates.

We believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace, while Europe's stagnant economies begin to expand. The Federal Reserve is likely to continue a monetary policy of low interest rates, which should foster a healthy climate for stocks and equity-linked securities such as convertibles. Despite the recent Russian involvement in Ukraine, energy prices remain relatively subdued, which should provide a slight tailwind for economic activity. Significant growth in U.S. crude oil production and large supplies of natural gas have kept energy prices contained, providing some increased spending power for consumers and lower costs for businesses.

We continue to believe that equities, and equity-linked securities such as convertibles, are attractively valued, particularly when compared to the yields on pure fixed income securities (most specifically U.S. Treasury and investment-grade bonds). We maintain that in a slow growth environment, at current valuations, convertible bonds and stocks are attractive and should continue to perform well.

Most sectors declined during the month. Consumer Staples, Energy, Utilities and Industrials were among the worst performers, each declining in excess of 4%. In contrast, Telecommunications and Materials posted positive returns during the period.

Although issuance in July was somewhat slow, this is not atypical for this time of year. Year-to-date issuance has been strong, and analysts anticipate net positive convertible issuance for the calendar year. A total of 65 new convertibles came to the U.S. market through the end of July 2014. Although the issuer base has been well diversified across market-cap range and sector, the vast majority of issuance year-to-date was non-rated. As previously noted, we expect new issuance from investment-grade companies to remain depressed until yields on the ten-year Treasury exceed 3.5%. Year-to-date approximately \$25.6 billion in new issuance has come into the U.S. convertible market, while approximately \$30.6 has been redeemed through redemptions and maturities.

PERFORMANCE

The convertibles bonds of Gilead Sciences, Intel and Continental Airlines were among the top contributors during the month. Gilead Sciences performed well in July after the company announced second quarter earnings that were well ahead of expectations. Sales and earnings gains were driven by the company's new treatment for Hepatitis C, Sovaldi, as well as strong sales of its HIV drugs. Earnings should continue to increase as more countries adopt Sovaldi as the standard for curing Hepatitis C. While much ado has been made of the drug's \$84,000 cost per treatment regimen, critics have failed to note that the drug cures a very serious disease, whose long-term costs would far exceed the price of the drug, not to mention the improved quality of life for the patient. Similarly, Intel's advance was driven by solid second quarter earnings. Earnings were better than expected and revenue increased more than eight percent from a year ago. Investor expectations were subdued going into the quarter, as many assumed that the growth of smart phones and the decline in traditional personal computers would depress results and the company's outlook. The fact that both earnings and guidance were strong led to a sharp rise in the price of the company's shares and

JULY 2014

OVERVIEW OF MONTHLY PERFORMANCE

MACKAY

convertible bonds. As with the other winners in the convertible portfolio this month, Continental Airlines advanced in July after the company reported earnings that exceeded expectations and were well ahead of last year's results. Airline stocks had generally been week following disappointing results from Lufthansa in June. However, favorable earnings from companies such as United Continental and Southwest Airlines (Airtran) turned the trend, demonstrating that industry discipline regarding capacity remains in place and that most planes are relatively full, with passengers paying higher fares than in years past.

Conversely, exposure to the convertibles of Schlumberger, United Technologies and Danaher weighed on performance during the month. Following a sizable June advance in the wake of Schlumberger's very positive analyst presentation, the company's synthetic convertible bonds declined in July. While Schlumberger's second quarter earnings were largely in line with expectations, the shares were vulnerable following June's sharp advance. The near and longer-term outlook for the company's oilfield products and services remains strong. The convertible preferred shares of United Technologies were weak after the company reported earnings which were relatively in-line with investor expectations. Investors focused on several weak segments such as Otis Elevator's Asian sales and Sikorsky Helicopter, sending the company's shares lower. We believe sentiment will improve if the United Technologies is able to deliver improved free cash flow as capital expenditures slow. Last, the convertible bonds of Danaher Corp. declined after the company reported second quarter earnings that were slightly below expectations. Although earnings were just slightly below estimates, investors reacted by selling the shares, as Danaher has a record of generally beating earnings guidance and analyst expectations.

OUTLOOK

2013 was an outstanding year for the convertible market, and the first half of 2014 is off to a decent start. Apart from the extraordinary market returns, the past year marked the resurrection of a vibrant market for new convertible issuance, which has continued through the first six months of this year. Last year's returns were also testimony to the notion that convertible bonds will outperform in a rising rate environment and, unlike nearly all other classes of fixed income instruments, have almost no correlation to the movement in interest rates. Regarding issuance, 2013 saw over 130 new issues totaling approximately \$44.4 billion come to the market. This compares to 68 new issues totaling \$21.5 billion which came to the market in 2012. This surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most investment-grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the preponderance of new issuance in 2013 was from non-investment grade companies. In addition, following the stock market decline of 2008, companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices that they believed under-valued their companies. However, with stocks at record levels, companies are no longer reluctant to issue a security linked to their equity.

We believe that this trend will continue and perhaps accelerate in 2014. If interest rates continue to rise from record low levels, and stocks hold onto gains, we believe that 2014's new convertible issuance is likely to exceed 2013's level. We do not expect the investment gains of 2013 to be repeated, but with decent corporate earnings, stocks and convertible bonds are likely to see further advances.

We remain convinced that convertible bonds and equities are undervalued in the current slow growth environment. Given the slowly improving macro economy, and the relatively low rates of interest and inflation, stocks appear inexpensive based on various measures such as price to earnings, price to cash flow or price to free cash flow. As such, we expect convertible bond and stock prices to be higher in the coming twelve to eighteen months.

Convertible bonds remain an excellent vehicle through which to participate in further equity advances. At current valuations, convertible bonds should participate in the majority of the stock market's advances, but less than half of any decline in the event that our outlook for equities is wrong.

JULY 2014

OVERVIEW OF MONTHLY PERFORMANCE

MACKEY

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BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKEY

Portfolio Composition and Performance — Account 1256 July 31, 2014

Composition	Market Value	Percent of Total
Fixed Income	14,358,472	77.72
Equity	3,357,104	18.17
Cash & Equivalents	759,242	4.11
Total Portfolio	\$18,474,818	100.00%

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	-1.24%	2.87%	6.55%	12.01%	9.20%	9.83%	102.86%	6.74%
CUSTOM BENCHMARK	0.68%	4.44%	10.09%	18.58%	12.67%	11.00%	117.64%	7.44%
ML Convrt Inv Grade BDS (Inc Mandatory)	0.68%	4.44%	10.42%	17.29%	12.58%	11.38%	78.55%	5.49%

Expressed in USD

Note: The Custom Benchmark consists of the BofAML US Investment Grade Convertible Bonds Index from inception through 4/30/14 and the BofAML All US Investment Grade Convertibles Index thereafter.

Past performance is not indicative of future results.

Schroder Capital Management Collective Trust
 C/O US Bancorp Fund Services, LLC
 PO Box 701
 Milwaukee, WI 53201-0701



BAY COUNTY EMPLOYEES' RETIREMENT SY
 ATTN JANIE TRACEY
 515 CENTER AVE
 BAY CITY MI 48708-5941

000017

Account Statement

Page 1 of 1

for the period of: July 1, 2014 - July 31, 2014

If you have any questions or comments regarding this statement, please contact your Client Service team at Schroders, New York at clientservicenyc@us.schroders.com.

Positions Held

	Fund Number	Account Number	Total Shares	Share Price	Fund Value	% of Holdings
SCHRODER INTERNATIONAL SMALL CO'S FUND	3179	50306	1,901.702	\$9,979.3409	\$18,977,732.55	100.00%
TOTAL VALUE					\$18,977,732.55	100.00%

Account Year-to-Date Summary

	Fund Number	Account Number	Investments	Redemptions	Dividends	Capital Gains
SCHRODER INTERNATIONAL SMALL CO'S FUND	3179	50306	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL VALUE			\$0.00	\$0.00	\$0.00	\$0.00

Transaction Detail

Trade Date	Transaction	Dollar Amount	Price	Shares	Total Shares
------------	-------------	---------------	-------	--------	--------------

SCHRODER INTERNATIONAL SMALL CO'S FUND

FUND/ACCOUNT NUMBER: 3179-50306

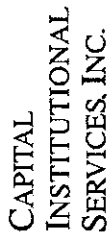
BALANCE FORWARD
 ENDING BALANCE

\$18,977,732.55 \$9,979.3409

1,901.702
 1,901.702

40





214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 7/31/2014

TOTAL COMMISSION

COMMISSION ALLOCATION

	July	YTD
Beginning Balance		
U.S. Equity	45.32	45.32
International Equity	-	-
Fixed Income	-	-
International Fixed Income	-	-
New Issues	-	-
Options	-	-
Futures	-	-
Foreign Currency	-	-
Syndicates	-	-
U.S. Correspondent Equity	48.75	48.75
Recapture Subtotals	\$ 94.07	\$ 94.07
Execution	\$ 0.00	\$ 0.00
Directed	\$ 0.00	\$ 0.00
Correspondent Broker/Dealer	\$ 0.00	\$ 0.00
Total	\$ 94.07	\$ 94.07

<u>Execution</u>		<u>Recapture</u>	
<u>July</u>	<u>YTD</u>	<u>July</u>	<u>YTD</u>
11.33	11.33	\$0.00	
-	-	33.99	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
17.75	17.75	31.00	
<u>\$ 29.08</u>	<u>\$ 29.08</u>	<u>\$ 64.99</u>	<u>\$</u>

Total Earned	\$ 64.99	\$ 64.99
Total Redeemed	\$ 0.00	\$ 0.00
Balance as of 7/31/2014	\$ 64.99	\$ 64.99

Account Executive: Jon Lantz
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno
Phone: (214) 978-4743

CAPITAL
INSTITUTIONAL
SERVICES, INC.

1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIIS Account: 10263

Settlement Month Ending: 7/31/2014

Summary of Directed Commission by Manager

	Commission	Recapture Allocation
Shares	July	YTD
Geneva Capital Management, LTD	1,133	\$45.32
		\$45.32
MFS Investment Management	1,283	48.75
		31.00
	2,416	\$ 94.07
		\$ 64.99
		\$33.99
		31.00
		\$ 64.99

Recapture Commission Activity

Trade Date	Slimt Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Brkr	Price	Commission	Recapture Allocation
Geneva Capital Management, LTD												
07/22/2014	07/25/2014	07/30/2014	B	1,133	GTLS	CHART INDS INC	3PF07V33	244 BAY COUNTY	CAPIS	81.3199	45.32	33.99
Total for Geneva Capital Management, LTD				1,133							\$ 45.32	\$ 33.99
MFS Investment Management												
07/15/2014	07/18/2014	07/22/2014	S	1,283	COG	CABOT OIL & GAS CORP	3DJ01C32	BCS BAY COUNTY	MLDOM	34.0658	48.75	31.00
Total for MFS Investment Management				1,283							\$ 48.75	\$ 31.00
Recapture Trade Total				2,416							\$ 94.07	\$ 64.99

3-27-2014 10:28 AM C:\Users\jlan\Documents\Bay County Employees' Ret. Sys. CAPIS Account: 10263 Settlement Month Ending: 7/31/2014



**CAPITAL
INSTITUTIONAL
SERVICES, INC.**

1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 7/31/2014

Summary of Activity by Month						
	Commission		Recapture Allocation		Redeemed Recapture	
	Month	YTD	Month	YTD	Month	YTD
Beginning Balance						
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
February	.00	.00	.00	.00	.00	.00
March	.00	.00	.00	.00	.00	.00
April	.00	.00	.00	.00	.00	.00
May	.00	.00	.00	.00	.00	.00
June	.00	.00	.00	.00	.00	.00
July	94.07	94.07	64.99	64.99	.00	.00
						64.99

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Account Executive: Jon Lantz
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno
Phone: (214) 978-4743

Ms. Crystal Herbert
 Bay County Financial Officer
 Bay County Retirement System
 515 Center Avenue
 Suite 701
 Bay City, MO 48708

Date 8/18/2014

Page 1 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: July 1, 2014 To July 31, 2014

	<u>July 2014</u>	<u>Year To Date</u>
Opening Balance:	\$0.00	\$0.00*
Commission:	\$23.00	\$23.00
Credit:	\$1.00	\$1.00
Payments:	\$0.00	\$0.00
Adjustments:	\$0.00	\$0.00
Ending Balance:	\$1.00 ^{cr}	\$1.00 ^{cr}

*Previous Year's closing balance

Manager Commission Summary

	<u>July 2014 Commission</u>	<u>July 2014 Credit</u>	<u>Year to Date Commission</u>	<u>Year to Date Credit</u>
HOTCHKIS & WILEY	\$23.00	\$1.00	\$23.00	\$1.00
Total:	\$23.00	\$1.00	\$23.00	\$1.00

<p><i>Are you considering making a portfolio change soon? Contact your Abel Noser representative or Transitions@abelnoser.com for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.</i></p>
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In order to comply with ERISA; It is our understanding that the monies disbursed from your commission recapture account are for the exclusive benefit of the plan's participants and their beneficiaries. Please contact us if you see there are any exceptions to this compliance.

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Date 8/18/2014

Page 2 of 2

Commission Program Review

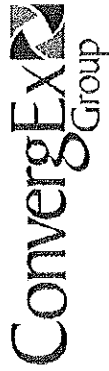
Rep: MARY DAVIDSON

Trade Details: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: July 1, 2014 To July 31, 2014

Account: 1122-BAY COUNTY EMPL RET SYSTEM/ HOTCHKIS EAN71916

<u>trade date</u>	<u>side</u>	<u>ticker</u>	<u>security description</u>	<u>share</u>	<u>commission</u>	<u>credit</u>	<u>cumulation</u> <u>credit</u>
07/02/14	S	JBLU	JETBLUE AIRWAYS CORP COM	500	\$5.00	\$0.00	\$0.00
07/11/14	B	HGR	HANGER INC COM NE	200	\$2.00	\$0.00	\$0.00
07/18/14	B	FBP	FIRST BANCORP P R COM NE	400	\$4.00	\$0.00	\$0.00
07/23/14	B	BYI	BALLY TECHNOLOGIES INC COM	100	\$2.00	\$1.00	\$1.00
07/23/14	B	BYI	BALLY TECHNOLOGIES INC COM	100	\$1.00	\$0.00	\$1.00
07/24/14	B	BYI	BALLY TECHNOLOGIES INC COM	100	\$1.00	\$0.00	\$1.00
07/28/14	S	ZINC	HORSEHEAD HLDG CORP COM	100	\$1.00	\$0.00	\$1.00
07/29/14	B	BYI	BALLY TECHNOLOGIES INC COM	100	\$1.00	\$0.00	\$1.00
07/29/14	S	ZINC	HORSEHEAD HLDG CORP COM	300	\$3.00	\$0.00	\$1.00
07/30/14	B	BYI	BALLY TECHNOLOGIES INC COM	100	\$1.00	\$0.00	\$1.00
07/30/14	S	ZINC	HORSEHEAD HLDG CORP COM	200	\$2.00	\$0.00	\$1.00
Account Total:				2,200	\$23.00	\$1.00	
Grand Total:				2,200	\$23.00	\$1.00	



Execution Solutions

Recapture Services
Bay County Employees Retirement System
Plan Trading Summary (US Dollars)
January 01, 2014 - July 31, 2014

Ref#: 23803

Manager	Current Month Commissions	Current Month Credits	Year-To-Date Commissions	Year-To-Date Credits
Revenue Type: Equity				
Columbia Management Advisors, LLC	0.00	0.00	900.00	630.00
Eagle Asset Management	41.25	28.88	139.03	97.32
Geneva Capital Management Ltd	0.00	0.00	2,303.36	1,612.35
Hotchkis & Wiley	0.00	0.00	0.00	0.00
MFS Investment Management Co.	0.00	0.00	0.00	0.00
Totals for Equity	41.25	28.88	3,342.39	2,339.67
Revenue Type: Correspondent Equity				
Baring Asset Management Ltd.	0.00	0.00	19.28	13.50
Baring Asset Management Ltd.	0.00	0.00	14.25	0.00
Integrity Asset Management	0.00	0.00	1,148.50	803.95
Integrity Asset Management	0.00	0.00	447.58	0.00
Totals for Correspondent Equity	0.00	0.00	1,629.61	817.45
Revenue Type: International Correspondent				
Baring Asset Management Ltd.	94.67	71.01	1,545.45	1,159.09
Baring Asset Management Ltd.	96.57	0.00	1,872.94	0.00
Schroder Investment Management Ltd	0.00	0.00	0.00	0.00
Totals for International Correspondent	191.25	71.01	3,418.40	1,159.09
Grand Totals	232.50	99.88	8,390.40	4,316.21

Commission Recapture Sales : Kimberly Doran, 212.468.7701, kdoran@convergex.com

Commission Recapture Client Services : 800-992-7526, crpdlientservices@convergex.com
This statement represents trades through Posted Date July 31, 2014 for all US transactions and upon information provided to us to date from our Global Correspondent Network for all non-US transactions
PLEASE CHECK YOUR STATEMENTS FOR ACCURACY AND REPORT ANY INACCURACIES TO RECAPTURE SERVICES.

1633 Broadway, 48th floor, New York, NY 10019

view your statements online @ clients.convergex.com

Recapture Services
Bay County Employees Retirement System
Plan Activity Summary and Balance
January 01, 2014 - July 31, 2014

Ref#: 23803

Summary by Revenue Type

Revenue Type	Month to Date		Year to Date	
	Commissions	Credits	Commissions	Credits
Equity	41.25	28.88	3,342.39	2,339.67
Correspondent Equity	0.00	0.00	1,167.78	817.45
Correspondent Broker Fees	0.00	0.00	461.83	0.00
International Correspondent	94.67	71.01	1,545.45	1,159.09
Correspondent Broker Fees	96.57	0.00	1,872.94	0.00
Fixed Income	0.00	0.00	0.00	0.00
12B-1 fees	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00
No Credit	0.00	0.00	0.00	0.00
TOTAL	232.50	99.88	8,390.40	4,316.21

Account Balance

Month	Commissions	Credits	Adjustments	Payments	Month Ending
Prior Year CR or DB	0.00	0.00			1,830.63
January 2014	2,012.80	1,121.77	0.00	1,830.63	1,121.76
February 2014	3,220.83	1,731.84	0.00	0.00	2,855.60
March 2014	1,599.52	785.73	0.00	0.00	3,639.34
April 2014	662.97	298.48	0.00	3,639.34	298.47
May 2014	563.99	247.05	0.00	0.00	545.52
June 2014	97.79	31.46	0.00	0.00	576.99
July 2014	232.50	99.88	0.00	576.99	99.88
August 2014	0.00	0.00			
September 2014	0.00	0.00			
October 2014	0.00	0.00			
November 2014	0.00	0.00			
December 2014	0.00	0.00			
TOTAL	8,390.40	4,316.21	0.00	6,046.96	
				Current Balance	99.88

Commission Recapture Sales : Kimberly Doran, 212.468.7701, kdoran@convergex.com

Commission Recapture Client Services : 800-992-7526, cpolientservices@convergex.com
 This statement represents trades through Posted Date July 31, 2014 for all US transactions and upon information provided to us to date from our Global Correspondent Network for all non-US transactions
 PLEASE CHECK YOUR STATEMENTS FOR ACCURACY AND REPORT ANY INACCURACIES TO RECAPTURE SERVICES.

THE NORTHERN TRUST COMPANY
801 S. CANAL
CHICAGO, IL. 60675
SECURITIES LENDING DIVISION C-1S

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 1

BILLING DATE: 08/07/2014
BILLING PERIOD: 07/01/2014 - 07/31/2014

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: BYC03					
ACCOUNT NAME: BAYCO- BARINGS					
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	427.41	427.41
GROSS EARNINGS	0.00	0.00	0.00	427.41	427.41
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	427.41	427.41
BANK FEES	0.00	0.00	0.00	170.96	170.96
NET INCOME	0.00	0.00	0.00	256.45	256.45

ACCOUNT NUM.: 2608694					
ACCOUNT NAME: *BAYCO - COLUMBIA MANAGEMENT					
OPEN CASH	0.00	1,361.11	0.00	0.00	1,361.11
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,361.11	0.00	0.00	1,361.11
TOTAL REBATES	0.00	74.87-	0.00	0.00	74.87-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,435.98	0.00	0.00	1,435.98
BANK FEES	0.00	574.06	0.00	0.00	574.06
NET INCOME	0.00	861.92	0.00	0.00	861.92

ACCOUNT NUM.: 2618668					
ACCOUNT NAME: *BAYCO - BAIRD					
OPEN CASH	1,915.03	0.00	0.00	0.00	1,915.03
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,915.03	0.00	0.00	0.00	1,915.03
TOTAL REBATES	737.52	0.00	0.00	0.00	737.52
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,177.51	0.00	0.00	0.00	1,177.51
BANK FEES	470.85	0.00	0.00	0.00	470.85
NET INCOME	706.66	0.00	0.00	0.00	706.66

THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 2

===== US FIXED US EQUITY GLOBAL FIXED GLOBAL EQUITY TOTAL =====

ACCOUNT NUM.: 2622490
 ACCOUNT NAME: *BAYCO - MACKAY SHIELDS -SL
 OPEN CASH 1,111.08 71.03 0.00 6.39 1,188.50
 TERM CASH 0.00 0.00 0.00 0.00 0.00
 NON CASH 249.15 0.00 0.00 0.00 249.15
 DEAL STOCKS 0.00 0.00 0.00 0.00 0.00
 GROSS EARNINGS 1,360.23 71.03 0.00 6.39 1,437.65
 TOTAL REBATES 1,264.21- 24.42- 0.00 0.42- 1,289.05-
 COMMISSIONS 0.00 0.00 0.00 0.00 0.00
 CLIENT EARNINGS 2,624.44 95.45 0.00 6.81 2,726.70
 BANK FEES 1,049.35 38.13 0.00 2.70 1,090.18

 NET INCOME 1,575.09 57.32 0.00 4.11 1,636.52

ACCOUNT NUM.: 2622536
 ACCOUNT NAME: *BAYCO - HOTCHKIS & WILEY -SL
 OPEN CASH 0.00 941.39 0.00 263.83 1,205.22
 TERM CASH 0.00 0.00 0.00 0.00 0.00
 NON CASH 0.00 24.43 0.00 0.00 24.43
 DEAL STOCKS 0.00 0.00 0.00 0.00 0.00
 GROSS EARNINGS 0.00 965.82 0.00 263.83 1,229.65
 TOTAL REBATES 0.00 49.60- 0.00 102.39- 151.99-
 COMMISSIONS 0.00 0.00 0.00 0.00 0.00
 CLIENT EARNINGS 0.00 1,015.42 0.00 366.22 1,381.64
 BANK FEES 0.00 403.68 0.00 145.92 549.60

 NET INCOME 0.00 611.74 0.00 220.30 832.04

ACCOUNT NUM.: 2624493
 ACCOUNT NAME: *BAYCO - WENTWORTH -SL
 OPEN CASH 0.00 0.00 0.00 0.00 0.00
 TERM CASH 0.00 0.00 0.00 0.00 0.00
 NON CASH 0.00 0.00 0.00 0.00 0.00
 DEAL STOCKS 0.00 0.00 0.00 0.00 0.00
 GROSS EARNINGS 0.00 0.00 0.00 0.00 0.00
 TOTAL REBATES 0.00 0.00 0.00 0.00 0.00
 COMMISSIONS 0.00 0.00 0.00 0.00 0.00
 CLIENT EARNINGS 0.00 0.00 0.00 0.00 0.00
 BANK FEES 0.00 0.00 0.00 0.00 0.00

 NET INCOME 0.00 0.00 0.00 0.00 0.00

THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 3

----- US FIXED ----- US EQUITY ----- GLOBAL FIXED ----- GLOBAL EQUITY ----- TOTAL -----

ACCOUNT NUM.: 2639956

ACCOUNT NAME: *BAYCO - DENVER INV ADV -SL

OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	0.00	0.00
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	0.00	0.00
BANK FEES	0.00	0.00	0.00	0.00	0.00
NET INCOME	0.00	0.00	0.00	0.00	0.00

ACCOUNT NUM.: 2641401

ACCOUNT NAME: *BAYCO - LOOMIS SAYLES -SL

OPEN CASH	1,027.06	0.00	570.94	0.00	1,598.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,027.06	0.00	570.94	0.00	1,598.00
TOTAL REBATES	132.60	0.00	337.38	0.00	469.98
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,159.66	0.00	908.32	0.00	2,067.98
BANK FEES	463.14	0.00	363.01	0.00	826.15
NET INCOME	696.52	0.00	545.31	0.00	1,241.83

ACCOUNT NUM.: 2649057

ACCOUNT NAME: *BAYCO GENEVA CAPITAL MGMT -SL

OPEN CASH	0.00	1,464.23	0.00	104.37	1,568.60
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,464.23	0.00	104.37	1,568.60
TOTAL REBATES	0.00	79.93	0.00	6.26	86.19
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,544.16	0.00	110.63	1,654.79
BANK FEES	0.00	617.15	0.00	44.22	661.37
NET INCOME	0.00	927.01	0.00	66.41	993.42

THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 4

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2653308					
ACCOUNT NAME: *BAYCO - INTEGRITY	-SL				
OPEN CASH	0.00	1,699.69	0.00	57.74	1,757.43
TERM CASH	0.00	1.33	0.00	0.00	1.33
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,701.02	0.00	57.74	1,758.76
TOTAL REBATES	0.00	218.83-	0.00	13.24-	232.07-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,919.85	0.00	70.98	1,990.83
BANK FEES	0.00	766.71	0.00	28.35	795.06
NET INCOME	0.00	1,153.14	0.00	42.63	1,195.77

ACCOUNT NUM.: 2663296					
ACCOUNT NAME: *BAYCO - CORNERSTONE REALES-SL	-SL				
OPEN CASH	0.00	1,115.18	0.00	0.00	1,115.18
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,115.18	0.00	0.00	1,115.18
TOTAL REBATES	0.00	76.24-	0.00	0.00	76.24-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,191.42	0.00	0.00	1,191.42
BANK FEES	0.00	475.25	0.00	0.00	475.25
NET INCOME	0.00	716.17	0.00	0.00	716.17

ACCOUNT NUM.: 2693854					
ACCOUNT NAME: *BAYCO - MFS INVESTMENTS	-SL				
OPEN CASH	0.00	1,618.06	0.00	261.95	1,880.01
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,618.06	0.00	261.95	1,880.01
TOTAL REBATES	0.00	88.38-	0.00	340.28-	428.66-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,706.44	0.00	602.23	2,308.67
BANK FEES	0.00	681.99	0.00	240.74	922.73
NET INCOME	0.00	1,024.45	0.00	361.49	1,385.94

THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD PAGE 5

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2695063					
ACCOUNT NAME: *BAYCO - EAGLE ASSET					
OPEN CASH	0.00	1,399.08	0.00	66.70	1,465.78
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	425.01	0.00	0.06	425.07
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,824.09	0.00	66.76	1,890.85
TOTAL REBATES	0.00	3,811.71	0.00	81.74	3,893.45
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	5,635.80	0.00	148.50	5,784.30
BANK FEES	0.00	2,251.17	0.00	59.20	2,310.37
NET INCOME	0.00	3,384.63	0.00	89.30	3,473.93

GRAND TOTAL					
OPEN CASH	4,053.17	9,669.77	570.94	760.98	15,054.86
TERM CASH	0.00	1.33	0.00	0.00	1.33
NON CASH	249.15	449.44	0.00	0.06	698.65
DEAL STOCKS	0.00	0.00	0.00	427.41	427.41
GROSS EARNINGS	4,302.32	10,120.54	570.94	1,188.45	16,182.25
TOTAL REBATES	659.29	4,423.98	337.38	544.33	5,964.98
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	4,961.61	14,544.52	908.32	1,732.78	22,147.23
BANK FEES	1,983.34	5,808.14	363.01	692.09	8,846.58
NET INCOME	2,978.27	8,736.38	545.31	1,040.69	13,300.65

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REFUNDS: FOR THE MONTH ENDED:

August 31, 2014

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
YACKS, LISA	171.86	8/1/2014	BABH	5/7/2014
ZAGORSKI, LEVI	5,615.35	8/12/14	BABH	3/4/14
TULLOCH, RUTH	7,275.49	8/14/14	BABH	6/26/14
BIERLEIN, KERI	297.78	8/14/14	BABH	6/11/14
POTTER, JENNIFER	12,173.57	5/21/14	BABH	3/21/14
HOLSAPPLE, JASON	481.14	5/23/14	Sheriff Road Patrol 11	3/9/12
TRAYLOR, LATORRI	21,255.85	8/26/14	BMCF	7/14/14
LENHART, HAROLD	56,842.25	8/29/14	BABH	

TOTAL REFUNDS:

104,113.29

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
POMEROY, LUCIA	32,594.14	BCMCF USW - Div 20	7/1/2014
BURNS, KIP	49,793.80	USW FT General - Div. 8	8/2/2014

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
FADER, SANDRA	JAMES W FADER	PENSION BENEFIT	7/4/2014	GENERAL
FRYZEL, LINDA	N/A STRAIGHT LIFE BENEFIT	N/A	8/6/2014	GENERAL

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
GILLIS, AMANDA	143.56	BMC - GEN UNIT	7/26/2014
HARRIS, TIERRA	649.97	BMC - USW	7/21/2014
RIVETTE, TAMARA	2.78	BMC- GEN UNIT	7/24/2014
MACMILLAN, KATHARINE	802.26	BMC - GEN UNIT	7/28/2014
CARSTENS, EDWARD	14,274.86	DWS	7/26/2014
MEYERS, TODD	675.92	DWS	5/30/2014
FIWILLING, RUSSELL	319.57	GEN BCAMPS	7/17/2014
FULKS II, CRAIG	141.23	BMC - GEN UNIT	8/5/2014
HARA, CHELSEA	369.27	BMC - GEN UNIT	8/1/2014
TIMSAK, JENNIFER	4,528.02	BMC - RN/LPN	7/29/2014
LEMMER, JAIME	190.64	BMC - GEN UNIT	8/9/2014

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21,954.52

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7310 RETIREMENT SYSTEM FUND

73127400 RETIREMENT BOARD

RA FUND BALANCE, NET AS

73127400 40001 FUND BALANCE
73127400 40003 FUND BALANCE-RESRVS
73127400 40004 NET ASSETS - RESERV

TOTAL FUND BALANCE, NET AS

RJ LOCAL UNIT CONTRIBUT

73127400 59401 ER CONTR-BEHAVE.HEA
73127400 59402 ER CONTR-MOSQUITO C
73127400 59403 ER CONTR-HEALTH FUN
73127400 59404 ER CONTR-ROAD COMMI
73127400 59406 ER CONTR-LIBRARY
73127400 59407 ER CONTR-GOLF COURSE
73127400 59408 ER CONTR-GENERAL FU
73127400 59409 ER CONTR-DWS
73127400 59410 ER CONTR-911 SERVIC
73127400 59411 ER CONTR-CHLD CARE
73127400 59412 ER CONTR-DIV ON AGI
73127400 59413 ER CONTR-RETIRE SYS
73127400 59414 ER CONTR-HOMELAND S
73127400 59415 ER CONTR-GYPSY MOTH
73127400 59416 ER CONTR-HOME REHAB
73127400 59419 ER CONTR-MED CARE F
73127400 59420 ER CONTR-SELF INSUR
73127400 59427 ER CONTR-COMM CORRE
73127400 59429 ER CONTR-F.O.C. FUN
73127400 59430 ER CONTR-ROUSING FU
73127400 59434 ER CONTR-LOCAL CFO
73127400 59439 ER CONTR-SHERIFF DE
73127400 59501 EE CONTR-BEHAVE.HEA

	ORIGINAL APPROP	TRANSFRS/ ADJSTMNTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
0	0	0	0	.00	.00	.00	.0%
16,176	16,176	0	16,176	.00	.00	16,176.00	.0%
3,763,344	3,763,344	0	3,763,344	.00	.00	3,763,344.00	.0%
3,779,520	3,779,520	0	3,779,520	.00	.00	3,779,520.00	.0%
-1,300,000	-1,300,000	0	-1,300,000	-509,410.92	.00	-790,589.08	39.2%*
-13,000	-13,000	0	-13,000	-6,855.87	.00	-6,144.13	52.7%*
-57,000	-57,000	0	-57,000	-29,649.95	.00	-27,350.05	52.0%*
-520,000	-520,000	0	-520,000	-299,904.64	.00	-220,095.36	57.7%*
-130,000	-130,000	0	-130,000	-83,441.49	.00	-46,558.51	64.2%*
-6,000	-6,000	0	-6,000	-2,029.33	.00	-3,970.67	33.8%*
-375,000	-375,000	0	-375,000	-199,144.39	.00	-175,855.61	53.1%*
-250,000	-250,000	0	-250,000	-177,517.38	.00	-72,482.62	71.0%*
-45,000	-45,000	0	-45,000	-22,665.73	.00	-22,334.27	50.4%*
-40,000	-40,000	0	-40,000	-21,130.36	.00	-18,869.64	52.8%*
-43,000	-43,000	0	-43,000	-19,017.34	.00	-23,982.66	44.2%*
-1,800	-1,800	0	-1,800	-966.24	.00	-833.76	53.7%*
-3,500	-3,500	0	-3,500	.00	.00	-3,500.00	.0%*
-2,000	-2,000	0	-2,000	-4,317.32	.00	2,317.32	215.9%*
-180	-180	0	-180	-73.56	.00	-106.44	40.9%*
-3,200	-3,200	0	-3,200	-1,689.20	.00	-1,510.80	52.8%*
-700,000	-700,000	0	-700,000	-260,392.70	.00	-439,607.30	37.2%*
-500	-500	0	-500	-185.20	.00	-314.80	37.0%*
-3,100	-3,100	0	-3,100	-837.85	.00	-2,262.15	27.0%*
-2,100	-2,100	0	-2,100	-1,297.01	.00	-802.99	61.8%*
-6,800	-6,800	0	-6,800	-2,870.35	.00	-3,929.65	42.2%*
0	0	0	0	-46.69	.00	46.69	100.0%
0	0	0	0	-11,977.95	.00	11,977.95	100.0%
-580,000	-580,000	0	-580,000	-242,308.43	.00	-337,691.57	41.8%*

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	ORIGINAL APPROP	TRANSFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 59502 EE CONTR-MOSOQUITO C	-12,500	0	-12,500	-6,855.87	.00	-5,644.13	54.8%
73127400 59503 EE CONTR-HEALTH FUN	-60,000	0	-60,000	-29,649.95	.00	-30,350.05	49.4%
73127400 59504 EE CONTR-ROAD COMM	-130,000	0	-130,000	-65,622.42	.00	-64,377.58	50.5%
73127400 59506 EE CONTR-LIBRARY	-75,000	0	-75,000	-36,043.71	.00	-38,956.29	48.1%
73127400 59507 EE CONTR-GOLF COUR	-4,800	0	-4,800	-2,029.34	.00	-2,770.66	44.3%
73127400 59508 EE CONTR-GENERAL FU	-500,000	0	-500,000	-223,259.75	.00	-276,740.25	44.7%
73127400 59509 EE CONTR-DWS	-85,000	0	-85,000	-45,083.79	.00	-39,916.21	53.0%
73127400 59510 EE CONTR-911 SERVIC	-62,000	0	-62,000	-33,096.92	.00	-28,903.08	53.4%
73127400 59511 EE CONTR-CHILD CARE	-40,000	0	-40,000	-21,130.36	.00	-18,869.64	52.8%
73127400 59512 EE CONTR-DIV ON AGI	-43,000	0	-43,000	-22,306.82	.00	-20,693.18	51.9%
73127400 59513 EE CONTR-RETIRE SYS	-1,800	0	-1,800	-966.24	.00	-833.76	53.7%
73127400 59514 EE CONTR-HOMELAND S	0	0	0	.00	.00	.00	.0%
73127400 59515 EE CONTR-GYPSY MOTH	-1,900	0	-1,900	-1,027.83	.00	-872.17	54.1%
73127400 59516 EE CONTR-HOME REHAB	-180	0	-180	-73.56	.00	-106.44	40.9%
73127400 59518 EE CONTR-100% TAX P	-3,000	0	-3,000	-1,699.20	.00	-1,310.80	56.3%
73127400 59519 EE CONTR-MED CARE P	-380,000	0	-380,000	-144,261.87	.00	-235,738.13	38.0%
73127400 59524 EE CONTR-SELF INSUR	-400	0	-400	-185.21	.00	-214.79	46.3%
73127400 59527 EE CONTR-COMM CORRE	-3,100	0	-3,100	-837.85	.00	-2,262.15	27.0%
73127400 59529 EE CONTR-F.O.C. FUN	-2,100	0	-2,100	-1,297.01	.00	-802.99	61.8%
73127400 59530 EE CONTR-HOUSING FU	-6,800	0	-6,800	-2,870.36	.00	-3,929.64	42.2%
73127400 59534 EE CONTR-LOCAL CFO	0	0	0	-46.68	.00	46.68	100.0%
73127400 59599 EE CONTR-SHERIFF DE	-245,000	0	-245,000	-127,757.48	.00	-117,242.52	52.1%
TOTAL LOCAL UNIT CONTRIBUT	-5,738,760	0	-5,738,760	-2,663,822.12	.00	-3,074,937.88	46.4%

RP INTEREST & RENTALS

73127400 66400 INVESTMENT INTEREST	-5,000,000	0	-5,000,000	-1,967,446.57	.00	-3,032,553.43	39.3%
73127400 66500 GAIN ON SALE OF INV	-15,000,000	0	-15,000,000	-11,197,754.67	.00	-3,802,245.33	74.7%
73127400 66501 UNREALIZED GAIN ON	-3,000,000	0	-3,000,000	.00	.00	-3,000,000.00	.0%
73127400 66502 GAIN ON FOREIGN CUR	-40,000	0	-40,000	-571.25	.00	-39,428.75	1.4%
73127400 66600 SECURITIES LENDING	-300,000	0	-300,000	-120,958.92	.00	-179,041.08	40.3%
TOTAL INTEREST & RENTALS	-23,340,000	0	-23,340,000	-13,286,731.41	.00	-10,053,268.59	56.9%

RR OTHER REVENUE

73127400 67104 MISCELLANEOUS REVENU	0	0	0	.00	.00	.00	.0%
73127400 67600 REIMBURSEMENTS	0	0	0	.00	.00	.00	.0%
73127400 67601 REIMBURSEMENT - IND	0	0	0	.00	.00	.00	.0%

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	ORIGINAL APPROP	TRANSFRS/ ADJUSTMENTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 68900 TRADE-IN ALLOWANCE	0	0	0	.00	.00	.00	.0%
73127400 69000 COMMISSION RECAPTUR	-25,000	0	-25,000	-5,469.97	.00	-19,530.03	21.9%*
73127400 69200 CLAIMS/SETTLEMENTS/	-150,000	0	-150,000	-47,693.97	.00	-102,306.03	31.8%*
TOTAL OTHER REVENUE	-175,000	0	-175,000	-53,163.94	.00	-121,836.06	30.4%
XE WAGES & SALARIES							
73127400 70300 SALARIES-ELECTED OR	57,460	0	57,460	21,732.73	.00	35,727.27	37.8%
73127400 70500 TEMPORARY HELP	12,740	0	12,740	9,184.80	.00	3,555.20	72.1%*
73127400 70501 PART TIME WAGES	7,349	0	7,349	6,257.39	.00	1,091.61	85.1%*
73127400 70600 OVERTIME	2,809	0	2,809	363.94	.00	2,445.06	13.0%
73127400 70800 HOLIDAY PAY	0	0	0	853.66	.00	-853.66	100.0%*
73127400 71000 PER DIEM	3,420	0	3,420	1,485.00	.00	1,935.00	43.4%
73127400 71200 VACATION PAY	0	0	0	1,651.94	.00	-1,651.94	100.0%*
73127400 71202 SICK PAY	0	0	0	.00	.00	.00	.0%
73127400 71203 TERMINATION SICK PA	0	0	0	.00	.00	.00	.0%
73127400 71204 TERMINATION VACATION	0	0	0	160.84	.00	-160.84	100.0%*
TOTAL WAGES & SALARIES	83,778	0	83,778	41,690.30	.00	42,087.70	49.8%

XF FRINGES

73127400 71500 SOCIAL SECURITY	4,740	0	4,740	2,970.85	.00	1,769.15	62.7%
73127400 71600 HEALTH INSURANCE	17,592	0	17,592	6,427.47	.00	11,164.53	36.5%
73127400 71603 RETIREE HEALTH CARE	0	0	0	.00	.00	.00	.0%
73127400 71632 EMPLOYEE INCENTIVE	219	0	219	.00	.00	219.00	.0%
73127400 71700 LIFE INSURANCE	131	0	131	39.60	.00	91.40	30.2%
73127400 71800 RETIREMENT	4,598	0	4,598	2,297.28	.00	2,300.72	50.0%
73127400 71900 OTHER FRINGE BENEFIT	652	0	652	.00	.00	652.00	.0%
73127400 72001 SIF ADMINISTRATION	111	0	111	68.31	.00	42.69	61.5%
73127400 72100 WORKERS' COMPENSATI	163	0	163	100.55	.00	62.45	61.7%
73127400 72200 SICK AND ACCIDENT I	391	0	391	167.67	.00	223.33	42.9%
73127400 72500 UNEMPLOYMENT COMPEN	358	0	358	221.11	.00	136.89	61.8%
TOTAL FRINGES	28,955	0	28,955	12,292.84	.00	16,662.16	42.5%

XI SUPPLIES

73127400 72700 OFFICE SUPPLIES	2,000	0	2,000	628.16	.00	1,371.84	31.4%
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73127400 72702 BOOK SUPPLIES	0	0	0	.00	.00	.00	.0%
73127400 72800 PRINTING AND BINDIN	1,000	0	1,000	169.13	.00	830.87	16.9%
73127400 72900 POSTAGE	300	0	300	285.72	.00	14.28	95.2%*
73127400 73000 MAGAZINES AND PERIO	600	0	600	.00	.00	600.00	.0%
73127400 73301 COPIER / FAX SUPPLI	500	0	500	.00	.00	500.00	.0%
73127400 74200 FOOD SUPPLIES	150	0	150	21.75	.00	128.25	14.5%
73127400 74700 PHOTO & MICROFILM/F	0	0	0	.00	.00	.00	.0%
73127400 75100 COMPUTER SUPPLIES	1,500	0	1,500	.00	.00	1,500.00	.0%
TOTAL SUPPLIES	6,050	0	6,050	1,104.76	.00	4,945.24	18.3%

XL OTHER SERVICES AND C

73127400 80100 PROFESSIONAL SERVICE	1,500,000	0	1,500,000	803,086.37	.00	696,913.63	53.5%
73127400 80101 ACTUARIAL SERVICES	40,000	0	40,000	21,550.00	.00	18,450.00	53.9%
73127400 80200 CONTRACTUAL SERVICE	0	0	0	.00	.00	.00	.0%
73127400 81200 MEDICAL SERVICES	1,000	0	1,000	.00	.00	1,000.00	.0%
73127400 81400 INVESTMENT/BANK SER	230,000	0	230,000	137,182.62	.00	92,817.38	59.6%
73127400 81700 LEGAL FEES	7,500	0	7,500	2,898.00	.00	4,602.00	38.6%
73127400 81900 CONSULTANTS	125,000	0	125,000	35,000.00	.00	90,000.00	28.0%
73127400 83000 MEMBERSHIPS AND DUE	550	0	550	225.00	.00	325.00	40.9%
73127400 82900 FILING FEES	250	0	250	85.00	.00	165.00	34.0%
73127400 83500 HEALTH SERVICES	0	0	0	.00	.00	.00	.0%
73127400 85200 TELEPHONE	420	0	420	71.17	.00	348.83	16.9%
73127400 86100 CONFERENCE FEES & E	15,000	0	15,000	11,463.97	.00	3,536.03	76.4%*
73127400 86500 STATE TRAVEL MILEAG	2,000	0	2,000	713.43	.00	1,286.57	35.7%
73127400 86600 LOCAL TRAVEL MILEAG	300	0	300	123.37	.00	176.63	41.1%
73127400 87500 PENSION PAYMENTS	13,000,000	0	13,000,000	7,706,846.47	.00	5,293,153.53	59.3%
73127400 90000 PRINTING/PUBLISHING	500	0	500	.00	.00	500.00	.0%
73127400 90100 LEGAL NOTICES	1,000	0	1,000	.00	.00	1,000.00	.0%
73127400 93100 EQUIPMENT REPAIR &	500	0	500	.00	.00	500.00	.0%
73127400 93700 HARD/SOFTWARE REPAI	0	0	0	1,200.00	.00	-1,200.00	100.0%*
73127400 94601 EQUIPMENT RENTAL_CO	5,000	0	5,000	295.63	.00	4,704.37	5.9%
73127400 95500 MISCELLANEOUS	500	0	500	25.00	.00	475.00	5.0%
73127400 95600 INDIRECT COST EXPEN	95,437	0	95,437	55,671.58	.00	39,765.42	58.3%
73127400 96000 EDUCATION AND TRAIN	1,500	0	1,500	270.00	.00	1,230.00	18.0%
73127400 96200 LOSS ON DISPOSAL OF	10,000,000	0	10,000,000	1,448,629.48	.00	8,551,370.52	14.5%
73127400 96201 UNREALIZED LOSS ON	0	0	0	.00	.00	.00	.0%
73127400 96203 LOSS ON FOREIGN CUR	100,000	0	100,000	554.39	.00	99,445.61	.6%
73127400 96401 CONTRIB REFUND-GENE	60,000	0	60,000	18,356.58	.00	41,643.42	30.6%
73127400 96402 CONTRIB REFUND-SHER	5,000	0	5,000	481.14	.00	4,518.86	9.6%
73127400 96403 CONTRIB REFUND-ROAD	5,000	0	5,000	13,344.39	.00	-8,344.39	266.9%*

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	ORIGINAL APPROP	TRANSFRS/ ADJUSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 96404 CONTRIB REFUND-MED	40,000	0	40,000	.00	.00	40,000.00	.0%
73127400 96405 CONTRIB REFUND-B.A.	50,000	0	50,000	75,015.53	.00	-25,015.53	150.0%*
73127400 96406 CONTRIB REFUND-D.W.	5,000	0	5,000	.00	.00	5,000.00	.0%
73127400 96407 CONTRIB REFUND-LIBR	5,000	0	5,000	.00	.00	5,000.00	.0%
73127400 96500 INSURANCE AND BONDS	22,000	0	22,000	21,238.57	.00	761.43	96.5%*
73127400 96730 MACHINERY & EQUIPME	2,000	0	2,000	.00	.00	2,000.00	.0%
73127400 96740 OFFICE EQUIP. & FURN	1,000	0	1,000	.00	.00	1,000.00	.0%
73127400 96741 COMPUTER HARDWARE E	0	0	0	.00	.00	.00	.0%
73127400 96742 COMPUTER SOFTWARE E	0	0	0	.00	.00	.00	.0%
73127400 96770 BOOK EXPENSE	0	0	0	.00	.00	.00	.0%
73127400 96999 BUDGET REDUCTION TA	0	0	0	.00	.00	.00	.0%
TOTAL OTHER SERVICES AND C	25,321,457	0	25,321,457	10,354,327.69	.00	14,967,129.31	40.9%

XQ CAPITAL OUTLAY

73127400 98001 COMPUTER SOFTWARE	34,000	0	34,000	8,000.00	34,000.00	-8,000.00	123.5%*
TOTAL CAPITAL OUTLAY	34,000	0	34,000	8,000.00	34,000.00	-8,000.00	123.5%
TOTAL RETIREMENT BOARD	0	0	0	-5,586,301.88	34,000.00	5,552,301.88	100.0%
TOTAL RETIREMENT SYSTEM FUND	0	0	0	-5,586,301.88	34,000.00	5,552,301.88	100.0%
TOTAL REVENUES	-25,474,240	0	-25,474,240	-16,003,717.47	.00	-9,470,522.53	
TOTAL EXPENSES	25,474,240	0	25,474,240	10,417,415.59	34,000.00	15,022,824.41	
GRAND TOTAL	0	0	0	-5,586,301.88	34,000.00	5,552,301.88	100.0%

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**BAY COUNTY
PERSONNEL DEPARTMENT**

Tim Quinn, Director
quinnt@baycounty.net
(989) 895-4098 (T)
(989) 895-2076 (F)

Thomas L. Hickner
County Executive

Tiffany Jerry, Payroll/Benefits Super.
jerryt@baycounty.net
(989) 895-4032 (T)
(989) 895-2076 (F)

Jeanie Deckert, Wellness Coordinator
deckertj@baycounty.net
(989) 895-4087 (T)
(989) 895-2076 (F)

Becky Smutek, Payroll Clerk
smutekb@baycounty.net
(989) 895-4044 (T)
(989) 895-2076 (F)

August 27, 2014

To: Steve Gray, Chair, Retirement Board

From: Tim Quinn, Director of Personnel, Employee Relations, and Corporation Counsel 

Re: Request to authorize scanning project, using funds from Retirement Fund

As requested at the August 12, 2014 VEBA meeting, I am herein requesting to use up to a total of \$24,000 to complete the scanning for all active and retiree files of beneficiaries of the Bay County Employees Retirement System. There are currently about 1200 active and 800 retiree files, containing somewhere between 42,000 and 62,000 documents to put in order and scan and then return to file.

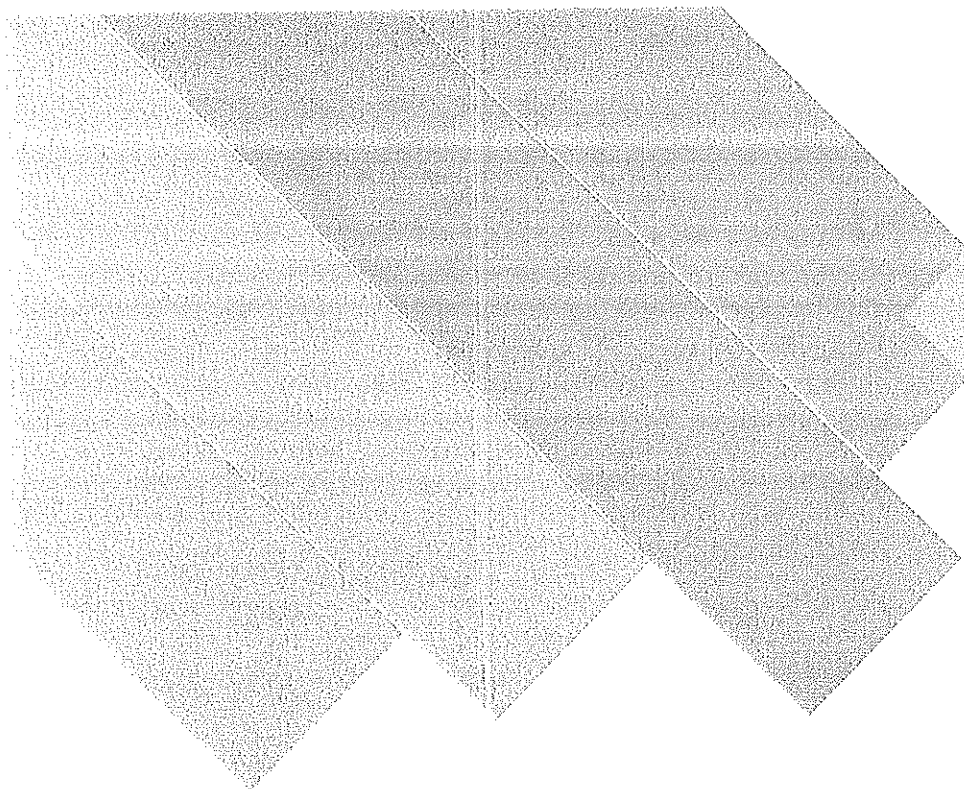
The project consists of three parts:

- (1) (1) Disassembling and putting in a scan-friendly (non-stapled, non-standard sized forms taped to a piece of plain paper) and (2) putting the documents in an orderly and standard grouping and (3) removing all staples. This will be done by using in-house personnel. We currently estimate that each file will take .25/hour on average. Using a labor rate, based on collective bargaining agreements, of \$19.88 an hour times 500 hours, the projected cost of this portion would be \$9940. A caveat to his figure would be that the amount of labor may be more or less, as we have not done anything of this scale before.
- (2) The actual scanning by an outside source runs from between \$6800 to \$8745. (quotes attached) Again this is based on a per page cost, so the actual cost may be higher or lower.) We have not thoroughly analyzed which of the three proposals is appropriate although we will do so in the near future.
- (3) Reassembling of files. This should not be as labor intensive and should only be about .10 hour per file. Therefore, 2000 files @ .10 hour times \$19.88 = \$3976.

Therefore, based on our best guess the total should be:

#1	\$9940
#2	\$8745
#3	\$3976
Total	\$22,661

Therefore, I would request that the Retirement Board authorize up to \$24,000 to be used as needed to successfully complete the project.



Bay County

Document Imaging/Retiree File Conversion

PRICING PROPOSAL

August 8, 2014

OfficeMax
WORKPLACE

office supplies

| interiors & furniture

| print & documents

| facility resources

| technology

August 8, 2014

Bay County
Julie Coppen

**RE: Bay County
On-Site Project - 515 Center Ave, Bay City Michigan 48708**

Hello Julie,

Thank you for the opportunity to offer this quote. With almost 5 decades of experience, OfficeMax, in partnership with Scantek can offer the most efficient and affordable solutions available. Our "state of the art" facilities and capabilities have all of the latest in imaging technology, and experienced staffing to manage all of your file conversion needs.

Advantages of Scanning

- 99.9% Savings in Space
- Fast Access to All of your Files, At Your Fingertips
- Disaster Recovery/Business Resumption Plan*
- Search, View, Print from Infinite Standalone Computers Without any Software Charge
- Most Affordable Document Management Solution on the Market
- Scalability
- Security Options with HIPAA Compliance
- Alchemy is ODBC for Easy Open Architecture for Images and Indexes to be Exported to Any Future Media or Software Solution You May Choose
- No More Storage and Retrieval Costs
- No More Purchases of Filing Cabinets
- Scantek has Over 46 Years of Consecutive Experience in Document Management
- Unmatched support throughout the entire process
- Hundreds of References at Your Disposal

OfficeMax and Scantek are built on the highest levels of customer service with the latest in Document Management Technology Solutions offering scalable solutions for individual Departments to Enterprise wide systems. We have extensive experience in very small to very large and complex scanning projects for importation into ANY document/content management solution on the Market.

Thank you in advance; we look forward to further exploring this opportunity and providing our services and solutions to your organization. Please do not hesitate to contact me if you need additional information.

Sincerely,

Tony Nicolette
Office Depot/Max
616.405.9427

OfficeMax WORKPLACE

office supplies

| interiors & furniture

| print & documents

| facility resources

| technology

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ASSUMPTIONS

- Bay County will perform the prep of files which entails removing staples, paperclips, un-folding, folding, and insertion of Data sheets (data sheets will be supplied by Scantek) between each record.
- If document level indexing is required, within the 2,200 Retiree Files, then a charge of \$.11 per record indexed will be charged.
- Formatting for Onbase- No Additional Charge
- Indexing & Formatting to be done back at Scantek, Inc. Willow Grove, PA 19090

PRICING

* Shipping, Set-Up of Equipment, Expenses (T & E) of Experienced Operator:

\$4,125.00 for estimated 4-5 days on-site

* Scanning with QC

On-site: 2,200 Retiree Files/approximately 42,000 Images: Index by File Folder Name: \$.11 per page, includes Folder Name Index: $42,000 \times \$0.11 = \$4,620.00$

• If OMX/Scantek operator is delayed while waiting for files to be readied for scanning, a \$62.50 per hr. charge will be incurred by Bay County

• Each additional day expense of \$250.00, if more days are required.

Approximate Total: \$8,745.00

Payment Terms

Fifty (50) Percent, due upon Signature of Contract. Remainder due upon completion of project.

Bay County and the partnership of OfficeDepot/Max and SCANTEK, INC. agree to the terms of this Agreement:

Bay County

Signature: _____ Date _____

Print Name: _____

Title: _____

Office Depot/Max

Signature: _____ Date _____

Print Name: _____

Title: _____

OfficeMax WORKPLACE

office supplies

interiors & furniture

print & documents

facility resources

technology

Bay County

Cost			
\$/Per Image	Qty	Price Per Image	Total
Scanning Paper Document to Tiff Format	42,000	\$0.08	\$3,150.00
Image QC / Editing	42,000	\$0.03	\$1,134.00
Indexing first and last name cost per character	60,000	\$0.01	\$738.00
Scanner set-up, travel ect...			\$1,700.00
Development fee	One Time		\$500.00
Total Cost with Bay Conty putting files back in Acco clips			\$7,222.00
Optional			
Putting files back in acco clips estimated 2000 files	2,000	\$40.00 per hour	\$2,000.00
We believe it will take 1 1/2 minutes per file to put documents back into acco clip			
Grand Total			
Assumptions			
Documents will be delivered to SourceHOV via hard drive for indexing			
SourceHOV to single key 90% quality at field level			
Can only be keyed on shore			
1-2 weeks for keying after signed SOW and test batch			
Index to be first and last name			
Estimated 60,000 characters			
All prep to be handled by Bay County employee's			
Bay County to provide a printed label with first and last name to be indexed			
Bay County to tape down smaller size documents to white sheet of paper			
On site scanning estimated to take 20 hours			



Suite 200
Southfield, MI 48075
Telephone: 866.377.2677
Fax: 248.569.6567

July 8, 2014

Ms. Julie Coppens
Bay County
515 Center Avenue, Ste 801.
Bay City, MI 48708

Dear Julie:

Thank you for the opportunity to work with you and your HR Retirement office of Bay County. On behalf of DSS Corporation, we are pleased to submit this proposal in response to your request for, document imaging and conversion services information and pricing. The intention of this proposal is to provide you with specific document imaging recommendations for digitizing key files at Bay County.

DSS has 35 years of quality business solutions and services to the information technology needs of its customers throughout the United States. We are confident that you will be satisfied with our abilities and service as we strive to do our best for each and every customer.

Our understanding is the HR retirement office has a large number of files that they want scanned and capable of being brought into OnBase. These are employee files that have retired that are typically made up of about 20-50 pages of paper per file. For this proposal we are using 1,200 files with an average of 35 pages per file. Because of the nature of the files they cannot be removed from the department. To comply with the request that the files not be removed we have agreed to place a person and equipment (high speed color scanner and pc) on -site. On the following page is the summary of our proposal.

We look forward to building a long-term business relationship with you and Bay County.

Sincerely,

Michael A. Bragg-CDIA

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INVESTMENT SUMMARY

- DSS will place a person on site
- DSS will supply equipment (scanner, PC, monitor and keyboard)
- Bay County will supply work area and power source.
- Bay County will prep
- DSS will scan and index the information
- Convert approximately 42,000 images
- Pages to be scanned at 300 dots per inch.
- Images will be TIFF, G4 compressed format.
- Docs will be named the employees name (last first)
- All records are assumed to be legible for indexers to read the index data.
- Information will be capable of loading into their OnBase System

<u>Description</u>	<u>Qty</u>	<u>Each</u>	<u>Investment</u>
Images	42,000	\$.15	\$6,300.00
Set up	1	\$500.00	\$ 500.00
Investment Estimate:			\$6,800.00